

# Count on Us: Reaching New Heights with Diverse Suppliers in 2012







**BEFORE THE PUBLIC UTILITIES COMMISSION OF  
THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Into Implementation of Public Utilities Code  
Sections 8281-8286 Relating to Women, Minority and Service-Disabled  
Veteran Business Enterprises  
R. 91-02-0111

**PACIFIC GAS AND ELECTRIC COMPANY (U 39 M)**

**ANNUAL WOMEN, MINORITY, AND SERVICE-DISABLED  
VETERAN-OWNED BUSINESS ENTERPRISES REPORT FOR  
CALENDAR YEAR 2012**

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## TABLE OF CONTENTS

### 2012 Annual Report

Letter from the President .....	4
Sec. 9.1.1 Description of Internal and External Program Activities .....	6
Sec. 9.1.2 Summary of Purchases.....	30
Sec. 9.1.3 Program Expenses .....	37
Sec. 9.1.4 Description of Progress in Meeting or Exceeding Set Goals .....	37
Sec. 9.1.5 Summary of Utilization of DBE Subcontractors .....	38
Sec. 9.1.6 Supplier Complaints.....	38
Sec. 9.1.7 Exclusions .....	39
Sec. 9.1.8 Supplier Recruitment in Low Utilization Areas .....	39
Sec. 9.1.9 Justification of Excluded Areas.....	44

### 2013 Annual Plan

Sec. 10.1.1 DBE Annual Short-, Mid- and Long-Term Goals By Products and Services Category .....	45
Sec. 10.1.2 Program Activities Planned for 2013 .....	45
Sec. 10.1.3 Supplier Recruitment in Low Utilization Areas .....	49
Sec. 10.1.4 Plans for recruiting DBEs in excluded categories.....	50
Sec. 10.1.5 Plans for Subcontracting .....	51
Sec. 10.1.6 Plans for Complying with DBE Program Guidelines .....	51

### Power Procurement Report

2012 Annual Report.....	52
Sec. 9.1.1 Internal/External Activities .....	52
Sec. 9.1.2 Summary of Purchases and/or Contracts .....	53
Sec. 9.1.3 Program Expenses .....	54
Sec. 9.1.4 Goal Progress .....	54
Sec. 9.1.5 Subcontractors .....	54
Sec. 9.1.6 Complaints .....	55
Sec. 9.1.7 Exclusions .....	55
Sec. 9.1.8 Diverse Suppliers in Underutilized Areas.....	55
Sec. 9.1.9 Retention of All Documents/Data .....	55
Sec. 9.1.10A Participation Results by Fuel Category .....	55
Sec. 9.1.10B Market Conditions and Outreach.....	55
2012 Annual Plan .....	57
Sec. 10.1.1 Goals.....	57
Sec. 10.1.2 Planned Internal/External Activities.....	57
Sec. 10.1.3 Recruitment Plans for Suppliers in Underutilized Areas.....	57
Sec. 10.1.4 Plans for Recruiting DBEs in Excluded Categories.....	57
Sec. 10.1.5 Planned Subcontracting Activities .....	57
Sec. 10.1.6 Program Compliance .....	57

Fuel Procurement for Non-Generation

2012 Annual Report..... 58

Sec. 9.1.1 Description of 2012 Diverse Supplier Program Activities ..... 58

Sec. 9.1.2 Summary of Purchases..... 59

Sec. 9.1.3 Program Expenses ..... 59

Sec. 9.1.4 Goal Progress..... 59

Sec. 9.1.5 Summary of Utilization of DBE Subcontractors ..... 60

Sec. 9.1.6 Supplier Complaints..... 60

Sec. 9.1.7 Exclusions ..... 60

Sec. 9.1.8 Diverse Suppliers in Underutilized Areas..... 60

Sec. 9.1.9 Retention of All Documents/Data ..... 60

Sec. 9.1.10A Participation Results by Fuel Category ..... 60

Sec. 9.1.10B Market Conditions and Outreach..... 61

2012 Annual Plan ..... 62

Sec. 10.1.1 Goals..... 62

Sec. 10.1.2 Planned Internal/External Activities..... 62

Sec. 10.1.3 Recruitment Plans for Suppliers in Underutilized Areas..... 62

Sec. 10.1.4 Plans for Recruiting DBEs in Excluded Categories..... 63

Sec. 10.1.5 Planned Subcontracting Activities..... 63

Sec. 10.1.6 Program Compliance ..... 63



## Letter from the President

### PG&E SUPPLIER DIVERSITY COMMITMENT

At Pacific Gas and Electric Company, we strive every day to deliver safe, reliable and affordable gas and electric service to our customers. The ultimate measure of our success in fulfilling that goal is that our customers trust us, like us and want to do business with us. A key part of our customer experience is the role PG&E plays in making our communities great places to live. One significant way we can strengthen local economies is by supporting businesses that help us fulfill our core mission. Today more than ever, those businesses are owned and operated by people of diverse backgrounds.

For more than three decades, PG&E has been committed to creating a robust Supplier Diversity program — one that contributes to the vitality of our communities, spurs innovation, increases competition, and supports economic development and job creation. In 2012, we reached a tremendous milestone in our 32-year commitment to the full participation of diverse businesses as suppliers to PG&E. We spent over \$2 billion last year and exceeded our 37.3 percent DBE spend goal to achieve 38.8 percent spend with women-, minority-, and service-disabled veteran-owned businesses.

As I reflect on our Supplier Diversity program's evolution, I couldn't be more proud of our progress. We've made great strides in helping diverse suppliers increase the volume of their businesses and expand into new lines of business, while collaborating with our community partners to support their long-term development and success. Our efforts have culminated in a decade-long trend of consecutive year-over-year growth. With the development of smart grid and the emergence of new technologies, we are also focused on helping DBEs prepare to compete in a changing supply chain. All of this brings us the benefit of new and innovative ideas, creative solutions to the challenges we face, broader competition from within our supplier community and more vibrant communities in which we live and work.

As we work to earn our customers' trust through excellent operations, we know that our diverse suppliers will continue to play an essential role. We are pleased to report on our efforts from the past year, and we look forward to building on those efforts in the year ahead.

Chris Johns  
President  
Pacific Gas and Electric Company

## Results Summary and Highlights

This is Pacific Gas and Electric Company's (PG&E) annual report to the California Public Utilities Commission (CPUC) on its progress in procuring goods and services from diverse business enterprises (DBEs). In 2012 PG&E spent \$2.1 billion with DBEs, an increase of \$441 million compared to 2011. For seven consecutive years, PG&E has exceeded the CPUC goal of 21.5%. A focus in 2012 on supplier development and prime supplier engagement resulted in a new PG&E record of 38.8% DBE spend.

PG&E's 2012 supplier diversity accomplishments once again demonstrate the company's commitment to DBEs and support of community economic development while delivering safe, reliable and affordable gas and electric services.

### PG&E's Success in 2012

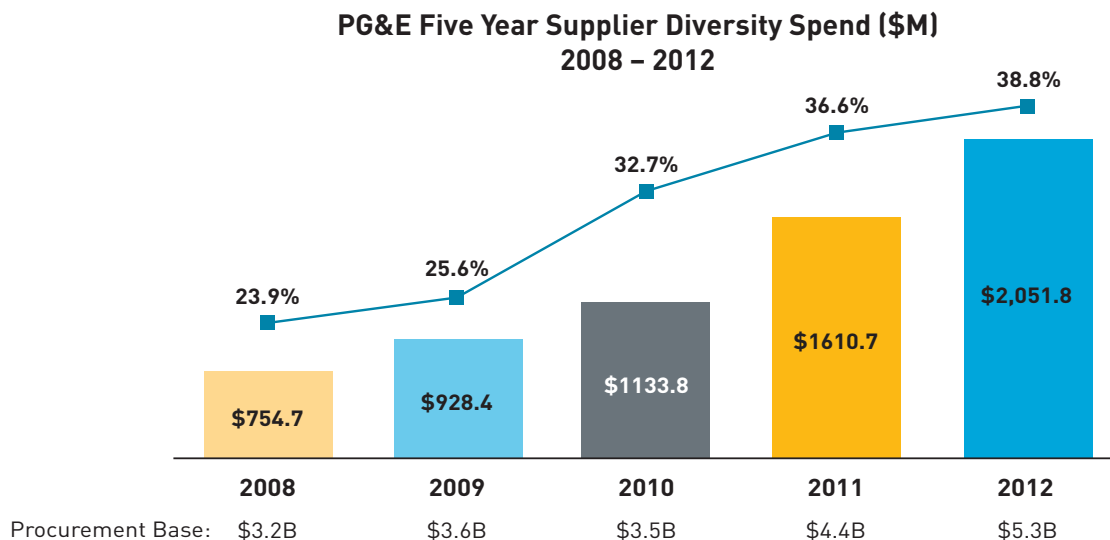
Overall products and services spend was \$5.3 billion, increasing by more than \$879 million or 20.0% over PG&E's 2011 spend. With focus on supplier development, strategic sourcing and competitive bidding, total diverse spend was \$2.1 billion, an increase of \$441 million or 27.4% year over year.

PG&E results increased year over year in each of the major categories:

- Minority business enterprise (MBE) spend reached an all-time high of \$1.3 billion, increasing \$262 million or 25.7%.
- Woman business enterprise (WBE) spend reached an all-time high of \$659 million, increasing \$145 million or 28.1%.
- Disabled veteran business enterprise (DVBE) reached an all-time high of \$115 million, increasing \$35 million or 43.5%.

PG&E strives to improve results in all areas of diverse spend, while focusing on finding qualified DBEs in areas that offer the greatest opportunity. In 2012, the company made significant progress in all four ethnic categories. MBE woman spend showed significant improvement too.

- Asian American spend reached a high of \$290 million. The year-over-year increase was \$71 million or 32.6%.
- African American spend again reached an all-time high of \$356 million. The year-over-year increase was \$90 million or 33.8%.
- Hispanic American spend reached \$461 million. The year-over-year increase was \$51 million or 12.6%.
- Native American spend increased significantly, reaching \$172 million. The year-over-year increase was \$49 million or 40.0%.
- Spend with minority men was \$880 million. The year-over-year increase was \$146 million or 19.9%.
- Spend with minority women reached a high of \$398 million. The year-over-year increase was \$115 million or 40.9%.





## PG&E's Robust Five-Year Trend

PG&E continues to demonstrate its strategic focus on incorporating supplier diversity into its procurement process. Over the last five years (2008-2012), there has been significant progress in all three diverse spend categories. Total spend over these five years increased \$2.1 billion or 67.3% while diverse spend increased \$1.3 billion or 171.9%.

- MBE spend increased \$782 million or 157.5%.
- WBE spend increased \$428 million or 185.1%.
- DVBE spend increased \$88 million or 319.8%.

Each of the ethnic categories also showed significant increases.

- Asian American spend increased \$112 million or 63.0%.
- African American spend increased \$247 million or 228.5%.
- Hispanic American spend increased \$271 million or 142.5%.
- Native American spend increased \$157 million or 1052.7%.
- Minority men spend increased \$506 million or 135.2%.
- Minority women spend increased \$276 million or 226.2%.

Continuous strategic initiatives and teaming efforts by the Supplier Diversity, Sourcing and Line of Business (LOB) teams have made this achievement possible.

### Sec. 9.1.1 Description of Internal and External Program Activities

A description of DBE activities engaged in during the previous calendar year.

#### 1. INTERNAL PROGRAM ACTIVITIES

##### A. Supplier Diversity Program Resources and Team Structure

The PG&E Supplier Diversity Program supports the company in its mission to include minority, women and service-disabled veteran business enterprises in the supply chain. The program is led by the Director of Supplier Diversity and Sustainability, and is supported by a team of Supplier Diversity managers and senior consultants. The Director of Supplier Diversity and Sustainability reports to the Vice President of Supply Chain.

In addition to promoting economic vitality, job creation and non-discrimination, PG&E's newly combined Supplier Diversity and Sustainability Program is focused on working with suppliers to reduce Supply Chain's environmental footprint and advance clean technologies, all of which contribute to meeting the company's sustainability goals. PG&E understands that supplier diversity and sustainability are synergistic initiatives essential to realizing its corporate values and commitment to corporate social responsibility. A fully sustainable supply chain must include a robust supplier diversity program. Furthermore, all suppliers, including DBEs, cannot remain competitive in this sustainable supply chain unless they demonstrate their contributions to customer goals of lowering greenhouse gases, waste, water, and energy usage.

In 2012, PG&E's internal DBE spending goal was 37.3%. The Supplier Diversity team, in conjunction with the Sourcing organization and the LOB Champions, is responsible for developing and implementing strategies and programs for PG&E to achieve its targets. These responsibilities include:

- establishing officer and director level supplier diversity goals for each LOB



- tracking and reporting supplier diversity spend results
- leading cross-functional Supplier Diversity LOB Champion teams for goal achievement
- working with internal stakeholders to develop and implement DBE business development strategies
- responding to DBE prospective supplier inquiries
- managing internal and external stakeholder issues
- developing supplier diversity communications and training plans
- improving processes and project management
- coordinating supplier diversity outreach events
- engaging with community-based supplier diversity organizations
- managing technical assistance and supplier development

## **B. Employee Education**

To achieve its supplier diversity goals, PG&E relied on the widespread participation and contributions of all employees. Therefore, employee education was an important element in building a successful program. In 2012, PG&E's Supplier Diversity team utilized a variety of processes and tools to educate employees about its programs, key initiatives and progress towards meeting its goals. These included:

### ***1. Training***

Formal and informal training occurred throughout the year as Supplier Diversity team members provided advice and counsel to other employees in the course of daily business. Specific training was provided to employees who were new to the role of Supplier Diversity LOB Champion, responsible for driving diversity results throughout their LOB. Employees were taught how to drive accountability, uncover potential diversity opportunities and support the competitive success of DBEs. Supplier Diversity team members provided supplier diversity training by helping employees identify DBE opportunities through spend data analysis, supporting their key projects, providing sourcing leads and facilitating meetings to introduce DBEs.

The Supplier Diversity team trained employees on supplier diversity policies, online diversity databases, outreach, certification, and other tools. The employee training increased company-wide awareness of available resources and opportunities to include DBEs in its contracts and spending initiatives.

### ***2. Internal and External Websites***

Supplier Diversity maintained internal and external websites, both of which served as comprehensive sources of supplier diversity information for employees. In 2012, both websites were updated on a regular basis, highlighting new program initiatives, upcoming events, new team members and more.

The external website promotes PG&E's unwavering commitment to an industry-leading Supplier Diversity Program. PG&E's prospective supplier intake portal continued to receive numerous registrations and profiles of companies seeking to do business with PG&E. A large percentage of these profiles were submitted by DBEs. The supplier profile database has search capabilities that include geographical location, type of business, diversity classification and other criteria. DBEs can find information on minimum contractor requirements, how to become CPUC-certified, outreach events, a list of PG&E's Supplier Diversity representatives and a comprehensive set of answers to frequently asked questions. The external website also provides supplier diversity best practices, and additional reference and resource information.

The Supplier Diversity Business Calendar of Events continued to be a valuable component of the external website. The annual calendar lists outreach events for in-person meetings with PG&E representatives throughout the year. The calendar is updated monthly.

In 2012, PG&E updated its external Supplier Diversity website to include information about its Technical Assistance and Prime Supplier programs. The company also provided a new section devoted to its Sustainable Supply Chain Program, including a new set of environmental management standards that all top suppliers to PG&E were expected to meet. This information, in addition to its Diverse Suppliers Go Green (DSGG) program website, provided DBEs with the resources and tools to be competitive in green supply chains.

PG&E's internal website, available to more than 20,000 employees, provides details on PG&E's supplier diversity initiatives and processes. This information helps employees understand that supplier diversity is a competitive advantage for the company and not a regulatory mandate. The website provides information on how to find DBEs and how to contact the Supplier Diversity team. It also provides the company's supplier diversity history, definitions of MBE, WBE, and DVBE, as well as information on the certifying agencies that PG&E recognizes. The internal website also provides information on General Order (G.O.) 156 CPUC regulatory obligations, spending goals and the prior year's Supplier Diversity Annual Report and Plan. The Supplier Diversity newsletter, *Powered by Diversity*, can also be accessed by employees through the website.

### ***3. Key Meetings and Conferences***

In order to reinforce supplier diversity as a strategic competitive advantage, supplier diversity was on the agenda of key PG&E meetings and conferences throughout the year. To support achievement of the company's ambitious 2012 goal, supplier diversity was highlighted at meetings such as the Annual Supplier Conference, LOB team meetings, officer-level meetings, employee Supplier Diversity LOB Champion meetings and company-sponsored external activities. PG&E's leadership restated the call for all employees to help the company meet its supplier diversity spending goals through innovative inclusion strategies and to ensure that DBEs are included in the company's top spending projects.

Executive-level meetings were also held between Supply Chain leadership and the leadership of various LOBs that procure goods and services. Supplier diversity results and gap closing plans were reviewed with strategic leaders in the business. Meetings included the participation of PG&E's Senior Vice President of Safety and Shared Services and Chief Procurement Officer along with the Vice President of Supply Chain. Meetings were held on a regular basis between Supplier Diversity team members and Sourcing teams. Supplier Diversity team members managed supplier diversity goals across several LOBs and spend categories. They were also contributing members and DBE advocates on purchasing decision teams.

### ***4. Employee Communications***

PG&E's enterprise-wide internal website served as the essential communication vehicle for all employees. It shared company and product news, industry features and messages from officers to employees. During the year, prominent supplier diversity successes were featured in the Top News section of the home page. These online news briefs provided educational information about supplier diversity accomplishments, outreach events, recognition and training.

The Supplier Diversity internal website also informed employees about current supplier diversity matters. These types of employee communications reinforced the relevance of supplier diversity to the company's vision and values. Additionally, the Supplier Diversity Program's quarterly newsletter, *Powered by Diversity*, was a key vehicle for communicating supplier diversity information to all employees.

## **C. Employee Recognition**

In 2012, PG&E spent \$2.1 billion, or 38.8% of its procurement base with DBEs. Both dollars and percent achieved are an all-time high. Throughout the year, the Supplier Diversity team recognized its LOB Champions, Sourcing portfolio managers and other key personnel who contributed to PG&E's success in meeting this goal. Recognition

included certificates of appreciation, awards presented during various company meetings and acknowledgment of their contributions during LOB Champion meetings.

Special supplier diversity awards were presented by PG&E officers to employees with exceptional 2011 supplier diversity performance at the 2012 Supplier Diversity Achievement Awards. Chairman and CEO, Tony Earley, presented the "President's Award," which was given to the individual who best exemplified role-model leadership and implemented best practices in the course of producing excellent supplier diversity results. Other individuals and teams were also invited to the stage to receive their awards from many of the company's officers. CPUC Commissioner Catherine Sandoval recognized the efforts of the award winners during her keynote address.

#### **D. Coverage of Results**

PG&E shared its supplier diversity performance with key internal and external stakeholders through multiple channels. PG&E began by publishing the company's Supplier Diversity 2011 Annual Report and 2012 Plan. Upon completion, the report was distributed internally to officers, Supplier Diversity LOB Champions and other employees. PG&E also sent the Annual Report to many community partner organizations. Results were also shared with other utilities and suppliers. PG&E continued to distribute the Annual Report by request throughout the year.

Again, this past year, PG&E published year-end results in its Powered by Diversity newsletter produced by the Supplier Diversity team. PG&E's 2012 results were also covered in a *PG&E@Work Today* article on PG&E's internal website and highlighted in a few local diversity publications including *Manila Mail and Phillipine Headlines*, *Sing Tao Daily*, and *Central Valley Business Times*.

Annual supplier diversity results were also shared via PG&E's annual Corporate Responsibility Report. This report described company-wide initiatives that made PG&E a leading corporate citizen. Supplier diversity was highlighted in the report, which was made available on the company's website.

Supplier diversity results and an update on current progress were again prepared for the annual PG&E Board of Directors' Public Policy Committee meeting. The Public Policy Committee regularly reviews policies and practices for the company's key initiatives, including supplier diversity.

The coverage of supplier diversity results did not end with annual reporting. PG&E ensured that there were ongoing communications about supplier diversity performance throughout the year. Each month, supplier diversity was tracked along with other key metrics and shared with senior management. The President held his direct reports accountable for supplier diversity performance. Officers performing below goal were requested to provide a variance explanation that included actions to close the gap.

At each monthly Supplier Diversity LOB Champion meeting, the champion from each LOB provided an update on monthly performance and shared any key accomplishments, strategies, risks and assumptions. These cross-functional meetings, led by the Director of Supplier Diversity and Sustainability, included the Chief Procurement Officer, Chief Diversity Officer, Vice President of Supply Chain and representatives from Supplier Diversity and Sourcing.

PG&E's internal review of results with the LOBs is a regular and ongoing process that provides an opportunity to share best practices, to celebrate accomplishments and to take action in areas where there is a gap to goal. In addition to the dissemination of results through the LOB review process, there are many additional internal requests for updates on supplier diversity performance. Results are available company-wide through the company's supplier diversity reporting systems. The Supplier Diversity team also responded to ad hoc requests for data and analytics on an ongoing basis. PG&E understands that management review of metrics drives performance and continued to develop reports and review processes that supported goal achievement.

## **E. DVBE Program**

In 2012, PG&E achieved 2.2% spend with DVBEs. This category's spend increased as a percentage of overall spend (from 1.8% in 2011 to 2.1% in 2012) and in actual dollars spent (from \$80 million in 2011 to \$115 million in 2012). PG&E also experienced a 7.8% increase in DVBE direct spend, and a 120.8% increase in DVBE subcontracting spend, when compared to 2011 results. This represents the third consecutive year that PG&E has exceeded the CPUC DVBE goal of 1.5%. PG&E achieved these results by maintaining a steadfast focus on DVBEs. The importance of reaching the DVBE goal was a frequent topic at the company's monthly Supplier Diversity LOB Champion meetings.

## **F. Subcontracting – Prime Supplier Participation Program**

In 2012, PG&E's supplier diversity subcontracting performance again remained strong, with its prime suppliers reporting nearly \$611 million in spending with DBEs. For many years the Supplier Diversity Program has been helping PG&E suppliers increase the utilization of DBEs in the supply chain through subcontracting and the inclusion of DBEs as business solution partners. In accordance with federal and regulatory requirements, contracts over \$500,000 (\$1 million for construction) require prime suppliers to submit a supplier diversity plan, set a supplier diversity performance goal, and report on subcontracting to DBEs. Prime suppliers are asked to set goals and report subcontracting monthly, detailing their progress toward these goals. In addition, PG&E performs an annual subcontracting audit of select prime suppliers to ensure they are reporting accurately.

In 2012, the Supplier Diversity and Sourcing teams continued to work with prime suppliers to develop and increase the utilization of DBEs. Sourcing strived for subcontracting goals of 30%+ and many strategic suppliers developed plans that established DBEs as business solution partners. Supplier Diversity worked with the LOBs and Sourcing to ensure DBEs continued to be developed in key product/service areas throughout the supply chain. The LOBs also helped identify DBEs with the potential for growth and expansion.

PG&E's Supplier Diversity team continued to work with PG&E executives to measure and monitor prime supplier performance. Through a focused initiative to target under-performing prime suppliers, executive management personally communicated with prime suppliers to drive diversity goal achievement. This initiative also included a request for prime suppliers to forecast and proactively manage their DBE subcontracting performance.

## **G. DBE Supplier Verification**

Last year, PG&E conducted certification workshops for DBEs. Each workshop explained G.O. 156 and the advantages of CPUC Clearinghouse certification. PG&E's Supplier Diversity team also made certification presentations to employees so they were knowledgeable on the subject and better able to work with DBEs to facilitate their certification.

Prime suppliers were educated about the need to have DBE subcontractors certified by the CPUC Clearinghouse. This certification training was done to ensure the continued accuracy and integrity of PG&E's supplier diversity subcontracting results reporting.

In 2012, PG&E continued to engage a CPA firm to audit its prime suppliers' subcontracting results. This was the third consecutive year that PG&E conducted an audit prior to finalizing PG&E's annual supplier diversity results. Prime suppliers were required to provide diverse subcontractors' invoices, their corresponding DBE payments, and a letter from an executive certifying accuracy of the submitted information. All second tier DBEs were verified as CPUC-certified. Overall results of the audit were excellent.

## H. Internal Publications

In 2012, internal publications that highlighted supplier diversity contributions and accomplishments included PG&E's Supplier Diversity newsletter, *Powered by Diversity*. This newsletter shared new information on DBEs, best practices and success stories including:

- PG&E 2012 Supplier Conference Honors our Business Partners: Six of Eight Honored Businesses were DBEs
- Second Gas and Electric Operations Supplier Diversity Matchmaking Event
- PG&E's Prime Suppliers: Supporting our Commitment to Supplier Diversity
- PG&E's New Technical Assistance Program Initiative: Diverse Suppliers are Safe
- Supplier Diversity Achievement Awards Nominations

PG&E's internal online publication, *PG&E@Work Bulletin* featured a top story on the Supplier Diversity Achievement Awards. In *Staying Connected*, PG&E President's online blog, Chris Johns discussed PG&E's commitment to supplier diversity and its celebration of a company milestone of spending over \$1.6 billion with DBEs in 2011. Currently, the company's online publication for news and perspectives from PG&E, also published an article highlighting PG&E's record spending with DBEs.

## I. PG&E Global Strategic Sourcing

The Supplier Diversity team worked hand-in-hand with the Sourcing team along with key individuals from the LOBs to maximize both direct and subcontracting opportunities for DBEs on strategic sourcing initiatives. Strategic sourcing has resulted in increased efficiencies in quality, cost, service, and supplier diversity performance. The 2012 increase in supplier diversity results was due, in part, to strategic sourcing managers' unwavering focus on supplier diversity optimization while developing initiatives in gas operations, IT procurement, transportation, and photovoltaic energy generation among other areas.

## J. Supplier Diversity Continuous Improvement

The Supplier Diversity team continued to focus on ways to refine and improve processes within the program. The team continued implementing many process and program improvements. Highlights included:

- **Hosting Supplier Diversity monthly LOB Champion meetings**  
Monthly meetings were held to share best practices, strategies and results. Each month the meeting was led by PG&E's Senior Vice President of Safety and Shared Services & Chief Procurement Officer along with the Director of Supplier Diversity and Sustainability. Also in attendance were the Chief Diversity Officer, Vice President of Supply Chain, LOB Champions and the Sourcing team.
- **Teaming with key internal stakeholders**  
In January 2012, Sourcing, Supplier Diversity and LOB Champions met with PG&E Officers to set supplier diversity goals, develop strategies and share best practices.
- **Conducting voluntary internal audits to ensure PG&E's processes comply with state and federal regulations**  
PG&E continued to optimize its processes, looking for additional ways to work more efficiently and expand its Supplier Diversity Program by hiring a third party DBE consultant to audit its subcontracting spend.
- **Supplier Diversity Client Service Excellence**  
This process management tool focuses on providing excellent customer service to internal and external customers. This tool defines roles and responsibilities which allow the PG&E Supplier Diversity team to manage service levels based on available resources.
- **Branding**  
The Supplier Diversity team continued to work with a WBE to update program brand and marketing collateral that aligned with PG&E's corporate vision and values.

- **DVBE Special Forces Team**

A cross-functional team comprised of Supplier Diversity, Sourcing, and LOB team members continued to work to examine DVBE opportunities and track progress toward DVBE goal attainment.

- **Formal Multi-Tier Technical Assistance Program**

This program is a three-tiered approach to provide technical assistance to DBEs that tailors offerings to the size and experience of the DBE.

## **K. Supplier Diversity Breakthroughs/Success Stories**

PG&E counts on the expertise of many DBEs to support the company's efforts to deliver safe, reliable, and affordable gas and electric service to its customers. PG&E continued to work across all LOBs and product and service categories to develop opportunities for DBEs to participate in its supply chain. Supplier diversity goal achievement and opportunity creation were championed by employees at every level from the President to employees in the field. The following are some of those successes:

### ***Gas Operations – Stockton Pipe Yard***

In 2012, a long standing Asian and woman-owned company, distributing quality industrial products to PG&E for over 25 years, was selected to provide third party logistics services for pipe and valve inventory management at a new PG&E pipe yard in Stockton, California established to support the Pipeline Safety Enhancement Plan (PSEP) work. PG&E's encouragement of diverse business solution partnerships in the expanding gas operations spend area spurred one of its prime suppliers to develop this MBE into a new growth opportunity. The prime supplier is helping the MBE to build capacity through active mentorship and also arranged a few facility site visits in 2012 to educate and share best practices. This value-added MBE relationship will allow PG&E to increase its operational efficiencies as it relates to material provisioning, inventory, and cost management activities for the pipe and fittings required for PG&E to complete its pipe replacement program. The pipe yard began receiving shipments in 2012, with the formal grand opening scheduled for April 18, 2013.

### ***Transportation***

In late October 2012, Hurricane Sandy swept through the East Coast, leaving more than eight million residents without power. As part of a national relief effort to help those impacted by the destruction of this natural disaster, PG&E immediately responded to help Consolidated Edison Company of New York and the Long Island Power Authority restore gas and electric services to their customers.

In addition to sending electric workers, PG&E also provided vital equipment, such as line trucks, generators and pod storage, for the restoration efforts. To assist in the transportation of these items, a woman-owned business was an integral player. This WBE third party logistics provider quickly jumped to action and transported more than 150 pieces of equipment across the United States in less than 48 hours. The company rapidly responded to the changing needs that accompany emergency response, rerouting material and equipment to three different locations (Flushing, Long Island, New Jersey) in an expedited manner. This WBE worked with speed and professionalism, expertly coordinating the shipments to and from the East Coast with zero safety incidents.

### ***Environmental Remediation***

PG&E worked with a number of DBEs within the environmental remediation space in 2012. One in particular, a Hispanic-owned company, is a highly technical environmental remediation firm that provides services to PG&E. In 2012, this MBE successfully tackled the remediation sites of three manufactured gas plant projects, delivering under budget and consistently ahead of schedule by at least two weeks. For one project, the MBE incorporated pavement and grading design refinements that led to over \$75,000 in savings.

### ***Customer Care***

A key supplier to PG&E within the Customer Care space was an African American-owned business that supported over 115,000 PG&E homes, providing home energy saving services. The MBE supported PG&E in saving its



customers more than 36 million KWh of electricity and 1 million Therms of gas on a yearly basis through the Energy Savings Assistance Program. This work resulted in a significant impact on the economic vitality of California's local communities—over 1,000 local jobs have been created. Of these jobs, over 70% of these workers are minority. In 2012, the company partnered with the PG&E Energy Training Center in Stockton to redesign a hands-on weatherization specialist training for over 135 technicians. In addition to this MBE's exemplary service to PG&E, earning it recognition at PG&E's annual Supplier Conference as the Corporate Services Supplier of the Year, this MBE also mentored other DBEs and subcontracted over 25% of their work to other DBEs.

### ***Information Technology***

When a need arose to upgrade its data storage systems, PG&E saw an opportunity to incorporate DBE participation in a historically underutilized area. In 2012, Sourcing worked closely with a non-diverse manufacturer and a woman-owned company to develop a new business solution partnership to support PG&E's Data Center Modernization Project. As a result, this local WBE, with a long history at PG&E, grew their business with PG&E by over 600% when compared to 2011. Through this value-added partnership, PG&E gained the WBE's technical expertise while retaining the support it previously had with the non-diverse manufacturer, at no additional cost. This technical expertise included access to the WBE's Chief Technology Officer to provide unbiased technical advice on the current market landscape as well as access to certified engineers and project management support for ongoing projects.

Due to this WBE's stellar performance with PG&E, they were awarded additional work with other non-diverse suppliers and continue to be considered for more business opportunities in the future. To help build capacity, and as a participant in the formal Supplier Development Program, PG&E also provided the WBE with officer mentorship and a scholarship to the UCLA Management Development for Entrepreneurs business development program.

## **L. Technical Assistance and Capacity Building**

### ***Joint Utility Multi-Tier Technical Assistance Program***

PG&E supports a broad range of DBE technical assistance and capacity building initiatives in collaboration with many different community organizations. Adhering to the Joint Utility's Multi-Tiered Technical Assistance and Capacity Building Program adopted by the Commission in 2011, PG&E's formal Technical Assistance Program (TAP) offers training to a broad base of DBEs in the communities that it serves and in California as a whole. The program divides the provision of technical assistance into three tiers:

<b>Tier</b>	<b>Description</b>	<b>Solution</b>
Tier 1 Smaller DBEs	1-3 years experience, less than \$1M revenue	Supplements small business development offerings provided by existing organizations such as SBA, SBDCs, and Community Colleges
Tier 2 Mid-Size DBEs	3+ years experience, revenue more than \$1M	Provides business management skills training through programs such as UCLA Management Development for Entrepreneurs Program
Tier 3 Advanced Technology / Emerging Market DBEs	5+ years experience, demonstrated readiness to grow	Prepares DBEs to expand into emerging technologies with the utilities through the University of California Advanced Technology Management Institute

Tier One is designed to have the utilities support and leverage the numerous existing programs for start-up, micro and small business training and incubation. Tier Two is designed to support the mid-stage, mid-size DBEs that



are ready to work on their growth strategy and strengthen their infrastructure. Tier Three targets already strong and successful DBEs to succeed in the utilities' emerging technology supply chains.

### ***PG&E Supplier Conference (supports Tier 1, 2, 3 TAP)***

In conjunction with PG&E's 2012 Supplier Conference, the Supplier Diversity team held its second Gas and Electric Operations Pre-Construction Business Matchmaking event in 2012. Eleven prime suppliers conducted business matchmaking, with 22 pre-qualified DBEs scheduling appointments prior to the event. DBEs expressed gratitude to PG&E for the opportunity to meet prime suppliers with whom they had tried to make a connection with for some time. PG&E's Vice President of Supply Chain and Director of Supplier Diversity and Sustainability shared words of wisdom with those attending the matchmaking event, thanked the prime suppliers for helping PG&E achieve its 2011 supplier diversity goals and encouraged all to break the record again in 2012.

### ***Diverse Business Workshops (supports Tier 1, 2 TAP)***

PG&E expanded its partnerships in 2012 with expert organizations to develop Diverse Business workshops and training programs related to Leadership Excellence, Business Management, Access to Capital, Business Growth Strategies, Microenterprise Business Development, Doing Business with the Utilities, etc.

- **Small Business Administration Workshop Partnerships**

In 2012, PG&E partnered with the U.S. Small Business Administration (SBA) to organize a series of successful capacity-building workshops and training seminars throughout Northern California. SBA is the only federal agency solely dedicated to providing loans, loan guarantees, contracts, counseling sessions and other forms of assistance to small businesses.

In March 2012, PG&E sponsored the "First Annual Diverse and Small Business Contracting with Public Entities Forum," a half-day workshop in Citrus Heights, California. Over 200 local firms attended to receive technical assistance training. The robust agenda included a presentation on how to do business with PG&E. Additionally, the Service Corps of Retired Executives (SCORE) presented a workshop on "Contracting by the Numbers," the Small Business Development Center (SBDC) presented a workshop on "Money Matters – Reading Business Financials," and the SBA presented a workshop on "Broadening Your Business Base." PG&E Supplier Diversity and Customer Energy Solutions representatives supported a booth to address questions regarding its contract opportunities and energy efficiency programs. SCORE and SBDC also shared business training, mentoring and business development resources at their respective booths. SCORE is dedicated to entrepreneur education and the formation, growth and success of small businesses nationwide. The Sacramento SBDC provides technical assistance to support small business development, growth and performance.

In May 2012, during SBA's Small Business Week in San Francisco, PG&E hosted a seminar titled, "Gain a Competitive Advantage by Greening your Business." PG&E's Supplier Diversity team partnered with its Recology team to present on the green supply chain and resources available to businesses to develop their own program. The workshop promoted the value of environmental stewardship and sustainability, factors playing an increasingly important role in the procurement decisions at PG&E and other large corporations.

In November 2012, over 60 local DBE firms registered for an end-of-year workshop in San Jose, California. Co-organized with SBA, this last workshop included a PG&E presentation on doing business with the utilities and the importance of developing robust safety initiatives. Silicon Valley SCORE conducted a workshop on "Accounting: Keep Track of Your Numbers," Silicon Valley SBDC presented on "Marketing to the Government and Prime Suppliers," and SBA closed out the half-day training with a presentation on SBA certification.

- **Foundations in Leadership Excellence Workshop**

PG&E was very excited to continue to conduct a leadership workshop for the DBE community in December 2012. PG&E worked with the Fresno Black Metro Chamber and Fresno Area Hispanic Chamber to provide this valuable and unique workshop to their local businesses. With a full capacity room, the half-day workshop received a lot of interest from the community. The workshop shared a fresh and very powerful approach to engage the full capacity of the people in their work teams. Tested in more than four hundred organizations, the approach reveals the foundational reasons for human motivation and a specific, systematic method to allow each leader to be much more powerful and achieve greater results.

- **Access to Capital and Business Growth Conference**

In support of providing technical assistance to the diverse communities it serves, PG&E was once again a cornerstone sponsor of the annual Bay Area Capital Connections Conference presented by the Alliance for Community Development. The event, targeted toward DBEs and entrepreneurs, was held on May 10, 2012 in San Francisco. The conference's packed agenda included topics on how to grow a product company, successful impact investing, and effective marketing of a business product or service. PG&E's Director of Supplier Diversity and Sustainability kicked off the day of learning, inspiration, opportunity and networking with a sponsor welcome speech. The event concluded with an exciting diverse entrepreneur business pitch event judged by real venture capitalists.

- **Small Business Development Training Scholarships**

PG&E supported a number of community-based organizations that provided robust business development and growth training programs to local, small, and diverse entrepreneurs and businesses. For example, PG&E offered three DBEs scholarships, with one DBE accepted into the Inner City Advisor's Business Growth Strategy Series featuring The 8 Factors Business Framework developed and taught by Stanford University professor, Michael C. Bush. The training series provided entrepreneurs and small business owners with the tools to successfully launch, gain control and scale their businesses.

### ***PG&E Signature TAP Initiatives (supports Tier 1, 2, 3 TAP)***

In 2012, PG&E launched a new signature initiative that educated DBEs on the competitive advantage of developing a robust safety program:

- **Diverse Suppliers Are Safe**

At PG&E, safety is a core company value. PG&E is committed to safety leadership and strives to continuously improve its safety performance by reviewing practices, policies and procedures, and identifying opportunities to eliminate employee, public, and contractor accidents.

In an effort to relay the importance of safety to the DBE community, PG&E's Supplier Diversity team, in collaboration with its Safety organization, developed the Diverse Suppliers are Safe TAP initiative which shares the competitive business advantages of addressing the multiple facets of safety within the work environment. The program trained DBEs how to implement safety programs and initiatives. In addition to employee safety, the training highlighted the critical role of good safety records in the competitive bidding process. DBEs were encouraged to highlight safety awards, safety scorecards and any other safety metrics that would provide their company with a competitive advantage.

The Diverse Suppliers Are Safe training initiative was successfully introduced at four different venues in 2012. A solid safety program creates a competitive advantage for DBEs during the Request for Proposal selection process, increases productivity and employee morale, and reduces operational costs that can potentially attract new customers. Upcoming workshops will include resources and tools to arm DBEs to develop a robust safety program.

PG&E continued to offer workshops of its other existing signature initiative programs in collaboration with community-based organizations:

- **Diverse Suppliers Go Green**, an environmental technical assistance initiative that provides training and resources for DBEs to implement their own green business strategy.
- **Diverse Supplier Go Global**, an initiative that educates and shares resources on how to evaluate and participate in the global marketplace.

### ***UCLA Management Development for Entrepreneurs (MDE) Program (supports Tier 2 TAP)***

In 2012, PG&E sponsored five DBEs — two MBEs, two WBEs and one DVBE – for the UCLA MDE Program at the Tech Mart Center in Santa Clara and at the UCLA campus in Southern California. The MDE Program is an intensive certificate program that is offered to owners and managers of entrepreneurial businesses to develop management skills and strengthen their ability to build effective organizations. The entrepreneurs devoted four to ten days to attend courses taught by the Anderson School's award winning faculty including Senior Associate Dean and Professor, Al Osborne. Dr. Osborne is an award-winning scholar who founded the MDE Program to bring UCLA expertise to the DBE community. The courses were specifically designed for entrepreneurs in such areas as management theory and practice, marketing, finance, operations, and quality management.

### ***International Organization for Standardization (ISO) Certification Training (supports Tier 2, 3 TAP)***

PG&E and a woman-owned business have jointly developed a program to provide DBEs with dual ISO 9001 Business Quality Standard and ISO 14001 Environmental Standard certification training via webinar at an over 70% cost reduction. The program offered a free introductory webinar to educate DBEs on the value of ISO quality certification and the competitive advantage it provides. In 2012, PG&E sponsored one of its minority-owned suppliers to complete their ISO 9001 and ISO 14001 certification through this program. An additional five DBEs received the introductory webinar and are considering certification.

### ***Trade Missions to Industry Tradeshows (supports Tier 2, 3 TAP)***

In 2012, PG&E continued its technical assistance initiative to further integrate supplier diversity into industry tradeshows. Aligning with the company's efforts to refocus on its core business, the Supplier Diversity team leveraged its Sourcing team and prime suppliers to attend the following conferences to further strengthen PG&E's supply chain of DBEs.

Date	Conference	Location	Description
July 9-12, 2012	Inter-Solar North America	San Francisco, CA	Solar Power
July 17-20, 2012	2012 HydroVision International	Louisville, KY	Hydro Power
September 25, 2012	Emerging Technologies Coordinating Council: TRIO Symposium	San Francisco, CA	Emerging Technologies

PG&E implemented a variety of strategies to ensure technical capacity building for DBEs at these conferences. These strategies included:

- Offering technical assistance scholarships to DBEs to attend trade shows
- One-on-one shadowing with PG&E's Category Lead
- Prime supplier networking introductions for potential DBE subcontractors

### ***University of California Advanced Technology Management Institute (supports Tier 3 TAP)***

The Advanced Technology Management Institute (ATMI) was launched in 2012 by PG&E and a few other California utilities as an executive training initiative for mature DBEs to position their businesses and compete for utility

opportunities in emerging technology. The initiative, managed by the University of California at Los Angeles' Anderson School of Business, was co-sponsored by the University of California at Berkeley and University of California at Davis.

The first ATMI program was initiated in 2012 with seven DBEs. The three-module curriculum focused on deepening DBE knowledge of the utility value and supply chain. The program curriculum also shared the short- and long-term utility needs and investment cycles in the emerging technology space. The combined lectures, workshops and mentoring from University of California faculty and utility sponsors also provided structured direction and guidance for attendees to evaluate their own strategies, service offerings, and growth and financing options in the context of these needs and opportunities.

The value of the curriculum – including mentoring, utility knowledge-sharing, and peer networking – was demonstrated in several emerging outcomes. As a direct result of the program, the majority of DBEs transformed their strategies and/or restructured, rebranded or repackaged their service offerings to address the potential opportunities in emerging technology at the utilities. Some DBEs identified new service or product innovations, and all are engaged with a broader audience at their existing utility sponsor or have established relationships at a broader set of utilities.

PG&E looks forward to continuing to participate and share in the successes of the program as it enters its second year.

## **M. Supplier Development**

### ***Gas Operations – Pipeline Safety Enhancement Plan***

2012 was a critical year for PG&E's Gas Operations organization due to the aggressive PSEP construction schedule that included strength testing, pipeline replacement, and valve automation. The plan's scope and schedule, agreed upon by the CPUC, led to the completion of an unprecedented amount of gas transmission and distribution work in 2012. With a nearly 100% increase in its purchase base, the Gas Operations organization continued to successfully integrate DBEs into its supply chain and increased supplier diversity performance from 29% in 2011 to 35% in 2012.

Part of PG&E's success in meeting its construction commitments can be attributed to one of its top gas operations DBEs, a woman-owned company that provided critical engineering expertise and resources for projects such as the Isolated Steel Service Project that involved over 100 contract employees inspecting over 345,000 gas services for cathodic protection. This WBE efficiently engineered over 80 strength tests in 2012 covering over 170 miles of pipeline and located records for over 25 miles of transmission pipeline. The company also designed the replacement of over 33,500 feet or 6.35 miles of transmission pipelines and performed a compliance record review on over 45,000 gas distribution and transmission records. In addition to technical expertise, this WBE implemented process improvements that resulted in significant cost savings, innovation, and environmental impact reduction through the elimination of blown down gas, construction work, and water use.

These examples of exemplary service led to recognition at PG&E's annual Supplier Conference as the Gas Operations Supplier of the Year in 2012 and Small Business Supplier of the Year in 2011. The company has been growing their business with PG&E since 2003, increasing its number of employees from 35 to over 150. In 2012 alone, the company's spend increased by over 60% when compared to 2011. As part of the formal Supplier Development Program, PG&E supported this company's growth and development by partnering its president with a Gas Operations officer as a mentor and providing its leadership team with a UCLA MDE Program scholarship.

### ***Generation***

PG&E's Diablo Canyon Power Plant (DCPP) continued to purchase electrical and electronic supplies as well as instrumentation and control supplies from a Native American-owned business. This MBE's value-added services also include stock replenishment, job material, outage support, emergent work and budgetary proposals. The DCPP team mentored this company over several years including executive officer mentorship through PG&E's formal Supplier Development Program. This MBE's spend with PG&E grew by 9% from 2011 to 2012. The MBE's

overall growth has been exponential, partly due to its rapid response to meet critical outage deadlines nationwide. The company has now grown to more than 1,000 manufacturers and wholesalers in its database. PG&E is proud to have supported this company's growth to continue to become a better partner and improved business.

### ***Electric Operations***

PG&E not only supports the development of its direct DBEs, the company urges its prime suppliers to develop and mentor DBEs as well. One successful example is a growing DVBE company that provided PG&E with general engineering and general building construction services as a subcontractor. In 2011, to ensure a successful subcontracting relationship, a non-diverse construction firm entered into a formal mentoring relationship with a DVBE. This non-diverse prime supplier helped the DVBE build capacity by providing officer-level mentorship, coaching on financial processing, sharing safety program best practices, and actively participating in the DVBE's estimate reviews. As a result, the DVBE, who did not work with PG&E prior to 2012, grew its business as a subcontractor significantly and is now one of the largest DVBE subcontractors within PG&E's Prime Supplier Program.

### ***Sourcing Recognizes Supplier Development Program DBEs at Annual Supplier Conference***

On October 23 and 24, 2012, PG&E held its Seventh Annual Supplier Conference and Awards Ceremony to celebrate and recognize the successful collaboration between PG&E and its prime suppliers. PG&E's suppliers are an integral part of the company's goal of providing safe, affordable, reliable and customer-focused gas and electric service. For this reason, PG&E is dedicated to enhancing its partnerships and recognizing outstanding supplier performance. More than 200 supplier executives and more than 70 PG&E representatives, including PG&E Chairman, President and CEO Tony Earley and other senior officers, attended the awards ceremony.

"It is quite an accomplishment for a supplier to be nominated for an award, let alone win an award," said Gun Shim, Vice President of Supply Chain. "These award-winning suppliers performed at a level above their peer companies during a time when PG&E is executing more work than ever.

Six out of eight award winners in 2012 were DBEs. Furthermore, five of those DBE award winners were participants in PG&E's formal Supplier Development Program, a testament to how customized business development support has led to success and company-wide recognition for DBEs. Many of the breakthrough and capacity building successes are peppered throughout this year's Annual Report. The following is a description of a few additional DBE award winners.

PG&E's Green Supplier of the Year was a Hispanic-owned business recognized for developing an environmental gauging system to track comprehensive reductions in Green House Gases (GHG). This program involved managing in-bound and out-bound shipments, consolidating full truck loads, utilizing sea-going containers and use of rail versus over-the-road shipments, all to reduce GHG emissions. In addition, the MBE instituted a web-based tracking system within its organization to measure the firms overall environmental goals including recycling of packing and shipping materials, wood, paper, plastic, cans and bottles. The MBE has leveraged these green initiatives to become a sustainability leader and create new business development opportunities within its industry.

PG&E's Supplier Diversity Leader of the Year was an African American woman-owned company. The WMBE demonstrated the true spirit of supplier diversity by achieving a 70% DBE subcontracting performance. In addition to actively engaging and recruiting DBEs across the country, the WMBE took an active leadership role in national supplier diversity organizations like the National Minority Supplier Development Council, National Utilities Diversity Council and Women's Business Enterprise National Council.

PG&E's Safety Supplier of the Year was a Hispanic and woman-owned business that made safety the number one priority for its company. With over 100 thousand hours worked on multiple PG&E projects throughout Northern and Central California, the WMBE had a record of zero safety incidences.

PG&E's Small Business Supplier of the Year was a Hispanic-owned business recognized for providing excellent customer service. Since 2011, this small MBE replaced over 1,500 distribution poles and also supported PG&E in

cross arm replacements, emergency restoration, and other related electric distribution upgrades. The company performed its duties safely, with zero reportable injuries and accidents, all while providing PG&E with an overall 10 percent savings. In addition to successful service and safety records, this small MBE supported other DBEs by subcontracting related traffic control services to another DBE.

## **2. EXTERNAL PROGRAM ACTIVITIES**

### **A. California Utilities Diversity Council (CUDC) and California Joint Utilities Committee (JU)**

PG&E continued its active engagement with the CUDC, a broad-based collaboration of utilities, diversity stakeholders and representatives from the CPUC. The CUDC focused on the shared mission to leverage California's rich diversity resources. Bill Harper, PG&E Vice President and Chief Diversity Officer served as the vice-chair. PG&E's Director of Supplier Diversity and Sustainability participated as a co-chair of the CUDC Procurement Committee which worked to address challenges to DBEs in low utilization areas.

In June of 2012, PG&E participated in the second CUDC Diverse Advertising and Media Outreach Forum. The forum, with approximately 200 attendees, provided DBE media and advertising firms the opportunity to hear from and network with corporate decisions makers and their agencies of record. PG&E's Senior Director of Brand and Marketing sat on a panel of utility executives moderated by CPUC Commissioner Catherine Sandoval to discuss how PG&E involved its agencies of record in achieving G.O. 156 spend requirements. The Summit also provided an opportunity to hear from DBEs regarding their experiences working with regulated companies as well as agencies of record regarding management of their subcontracting programs. Additionally, the forum allowed firms to learn more about the Supplier Clearinghouse certification process.

The California Joint Utilities Committee continued to meet quarterly to discuss regulatory and legislative issues, Clearinghouse operations and best practices.

### **B. External Activities to Increase DVBE Utilization**

PG&E worked closely with the California Disabled Veteran Business (DVB) Alliance and the Elite Service-Disabled Veteran-Owned Business (SDVOB) Network to identify DVBEs for direct and subcontracting opportunities and to participate in important matchmaking and community outreach events. PG&E also worked with the California Department of Veteran Affairs' DVBE advocate team to market key matchmaking and community outreach events throughout 2012.

PG&E participated in the 2012 20th Annual Keeping the Promise Expo in support of the California DVB Alliance in Los Angeles, CA. Supplier Diversity and PG&E Sourcing representatives participated in a business matchmaking session at this event.

PG&E also supported the 9th Annual Elite SDVOB Network National Convention of Service Disabled Veteran-Owned Businesses in Las Vegas, Nevada. PG&E participated in roundtable discussions and in a business matchmaking session at this event.

PG&E presented on panels, shared contract opportunities and met with prospective DVBEs at a number of other events in 2012, including the February 8th Elite SDVOB Network and Veterans Business Outreach Center Veteran Small Business Expo 2012 in Long Beach, the November 5th California DVB Alliance Membership Meeting in Camp Pendleton, the November 20th Northern California Chapter Elite SDVOB Network Planning Meeting in Alviso, and the November 29th Los Angeles Local Chapter Elite SDVOB Network Membership Meeting.

To expand its outreach to DVBEs, PG&E began working with the Northern California Chapter Elite SDVOB Network and the California DVB Alliance to develop Northern California technical assistance workshops and event opportunities in 2013.



## C. Advertising

In 2012, as part of its outreach to potential suppliers, PG&E ensured that an ad was displayed prominently in the booklets for those events it attended. PG&E's ad proudly heralded the 2011 achievement of an unprecedented \$1.6 billion and 36.6%. The colorful ad additionally highlighted PG&E's over 30-year dedication to advancing supplier diversity and helping DBEs increase their competitive position.

PG&E advertised in the following publications and events:

- *Diversity / Careers in Engineering and IT* – February / March and June / July
- *MBE Magazine* – March / April, May / June, and September / October
- *Minority Business News USA* – Volumes 1, 2, and 4
- *Women's Enterprise USA* – Volumes 1, 2, and 3
- Alliance for Community Development Bay Area Capital Connections Conference V
- American Indian Chamber of Commerce of California EXPO 2012
- American Indian Chamber of Commerce of California 2012 Native American Heritage Month Luncheon
- Black Economic Council 7th Annual Urban Economic Conference
- California Black Chamber of Commerce Ron Brown Commerce Summit and Gala
- California DVB Alliance 20th Annual "Keeping the Promise" (KTP2012) Conference, Exposition and Matchmaking Event
- California Hispanic Chamber of Commerce 32nd Annual Convention
- Edison Electric Institute 28th Annual Supplier Diversity Conference
- Elite SDVOB Network 8th Annual National Convention
- National Minority Supplier Development Council 2012 Annual Conference and Business Opportunity Fair
- Northern California Minority Supplier Development Council Business Opportunity Fair
- Women's Business Enterprise National Council National Conference and Business Fair

In addition, PG&E was featured in a number of external publications that demonstrated the company's commitment to supplier diversity, as well as green supply chain.

PG&E's green initiatives, green jobs, sustainability best practices, and Supplier Diversity program were showcased in:

- Northern California Minority Supplier Development Council's website article
- Institute for Supply Management eSide article

The company's highly successful annual Supplier Diversity Achievement Awards, "Growing Together with DBEs," recognized PG&E employees for exemplary work in driving supplier diversity results. The event celebrated the 31st year of the program at PG&E along with achieving a new record of 36.7% diversity spend. Coverage of the event and PG&E's 2011 supplier diversity results were featured in the following publications:

- *Central Valley Business Times*
- *Diversity and Commerce*
- *Manila Mail and Philippine Headlines*
- *Market Watch*
- *Minority Business News USA*
- *PR Newswire*
- *Sing Tao Daily*
- *PG&E Currents Newsletter*
- *PG&E President's Blog*



*Diversity/Careers in Engineering and Technology* interviewed PG&E's Director of Supplier Diversity and Sustainability, and one of PG&E's DBE construction firms to discuss supplier diversity in the engineering and technology arenas. PG&E was featured in two other articles about the important components of corporate success for DVBes, and how energy companies call on DBEs for innovation, reliability and safety. Finally, the publication once again named PG&E its Reader's Pick in 2012 as "Best Diversity Company."

A number of publications featured articles on PG&E's support of the growth and development of its DBEs. *Vision Hispana* published an article about how minority-owned businesses grow through supplier diversity programs, and highlighted PG&E's mentorship and development of two Hispanic MBE suppliers. WBENC's President's Report shared PG&E's identification, development and training of WBEs for growth as a top corporation best practice. Edison Electric Institute's Energy Perspective magazine published a story on PG&E's Supplier Diversity Program. PG&E's President and Director of Supplier Diversity and Sustainability were featured in the story.

Articles in 2012 also featured PG&E's DBE successes in the underutilized area of finance. For example, PG&E's engagement of MBE banks to execute a \$400 million bond sale was featured in *DiversityPlus*, *San Francisco Post*, *Oakland Post*, *South County Post*, *Marin County Post*, and *Berkeley Tri-City Post*.

Additionally, the Director of Supplier Diversity and Sustainability participated in two multi-cultural media roundtable events with California Black media and Asian media outlets to share information about PG&E's successful Supplier Diversity Program.

#### **D. Stakeholder Publications**

PG&E distributed supplier diversity brochures at each outreach event that the Supplier Diversity team attended throughout the year. The brochures included valuable information about the steps to become a supplier to PG&E, how to become certified through the CPUC Clearinghouse, PG&E's Prime Supplier Program, and green supply chain resources. PG&E released its 2012 Corporate Responsibility Report and included information on its Supplier Diversity Program as well.

#### **E. Loan Fund**

PG&E supported access to capital for MBEs. As in years past, PG&E was an investor in the Business Consortium Fund (BCF) in 2012. The BCF is a minority business development company created by the National Minority Supplier Development Council to provide contract financing to certified MBEs through a network of local participating banks. The BCF is funded through several sources including corporations, state governments and foundations.

#### **F. Conferences, Meetings, Outreach and Tradeshow**

In 2012, PG&E continued its active participation in local and national supplier diversity outreach events to meet and promote DBEs, introduce prime suppliers to the DBE communities, and learn and share best practices with other supplier diversity program managers. Throughout the year, PG&E employees were actively engaged with the community, including officers, directors, sourcing managers, and supplier diversity professionals. PG&E also invited prime suppliers to join the company at numerous supplier diversity outreach events. These representatives worked the event booths, attended workshops and matchmaking events, and made themselves available for information exchange and business discussions with DBEs, community-based organizations and their members, as well as national diversity organizations.

#### **Supplier Diversity Outreach Ambassador Program**

As part of PG&E's efforts to strengthen its outreach activities, the company recruited individuals from throughout the organization to become outreach ambassadors and help promote the Supplier Diversity Program in the community. In 2012, 85 PG&E employees signed up to become a Supplier Diversity Outreach Ambassador and directly interacted with the community. While at events or conferences, Outreach Ambassadors connected with DBEs and shared information about doing business with PG&E. At the NMSDC's 2012 Conference and

Business Opportunity Fair, for example, several Outreach Ambassadors traveled to Denver, Colorado to staff the PG&E booth and engage with hundreds of MBEs attending the conference. Through the efforts of Outreach Ambassadors, PG&E was able to promote, increase and improve the quality of the overall participation of DBEs in the company's purchasing of products and services. As the Supplier Diversity Program continues to explore new ways to communicate business opportunities for DBEs in 2013, more Outreach Ambassadors will be recruited to promote the program's goals.

### ***Community Advisory Council***

PG&E's Supplier Diversity and Community Relations teams partnered together to launch a new Community Advisory Council made up of a cross-section of 22 diverse community partners across PG&E's service territory. The Council was formed to develop a thriving group of informed community leaders and beneficial two-way communication between PG&E and the diverse communities it serves. PG&E hosted three Community Advisory Council meetings in 2012, each with a robust agenda featuring presentations and discussions with key PG&E senior officers and subject matter experts. Topics included PG&E's pipeline safety enhancement plan, utility emergency preparedness, PowerPathway workforce development program, community investment programs, customer energy solutions programs, overall communication strategy, and much more.

### ***Outreach Activities***

Attending DBE conferences, meetings, outreach events and tradeshow is a clear indication of PG&E's commitment to support the communities which it serves.

PG&E Sponsored and/or participated in the following activities:

- Advanced Technology Management Institute — Module I Workshop
- Advanced Technology Management Institute — Module II Workshop
- Advanced Technology Management Institute — Module III Workshop
- African American Media Market — Breakfast Roundtable
- Alliance for Community Development — Bay Area Capital Connections Conference
- Alliance for Community Development — CEO Forum Series: Creating a Valuable Business Concept
- Alliance for Community Development — CEO Forum Series: Developing and Launching Products
- Alliance for Community Development — CEO Forum Series: Shaping the Business / Financial Model
- Alliance for Community Development — CEO Forum Series: Structuring the Return to Investors and Negotiating Terms
- Alliance for Community Development — Financial Foundations for Accessing Capital Workshop
- American Indian Chamber of Commerce of California — Annual Native American Heritage Month Luncheon
- American Indian Chamber of Commerce of California — EXPO '12 Annual Conference
- Asian Business Association of Los Angeles — Strategy Conference
- ASIAN, Inc. — Minority Business-to-Business Matchmaking and 41st Gala
- Black Economic Council — 2nd Annual Game Changers and Bridge Builders Awards Ceremony
- Black Economic Council — 7th Annual Urban Economic Conference
- Black Economic Council — Business Success Strategies Workshop
- California Asian Pacific Chamber of Commerce — California Asian Business Summit
- California Asian Pacific Chamber of Commerce — China, the Next Gold Rush: Doing Business in China
- California Asian Pacific Chamber of Commerce — State of Small Business Luncheon
- California Black Chamber of Commerce — Ron Brown Commerce Summit & Gala
- California DVB Alliance — Membership Meeting
- California DVB Alliance — 20th Annual Keeping the Promise Conference, Exposition and Matchmaking Event

- California Hispanic Chamber of Commerce — 32nd Annual Convention: Advocacy, Empowerment & Education for California's Emerging Businesses
- CPUC — Joint Informational Hearing Senate with Commissioner Timothy Alan Simon
- CPUC — Small Business Expo and Matchmaking Event in Northern California
- CPUC — Small Business Expo and Matchmaking Event in Southern California
- California Small Business Day in Sacramento
- California Utilities Diversity Council — CPUC Financial Forum
- California Utilities Diversity Council — Diverse Advertising and Media Outreach Forum II
- Community Advisory Council — Spring Kick-Off Meeting
- Community Advisory Council — Summer Meeting
- Community Advisory Council — Winter Meeting
- Edison Electric Institute — 28th Annual Supplier Diversity Conference: New Energy, New Strategies for Generating Growth through Utilities
- Electric Utility Industry Sustainable Supply Chain Alliance — 2012 Utility Industry Sustainability Forum
- Elite SDVOB Network — 8th Annual National Convention of Service Disabled Veteran-Owned Businesses
- Elite SDVOB Network, Los Angeles Chapter — Workshop and Luncheon
- Elite SDVOB Network — Elite Veteran Small Business Expo 2012
- Elite SDVOB Network, Northern California Chapter — Planning Meeting
- Emerging Technologies Coordinating Council — Emerging Technologies Summit: Leading the Way to an Energy Efficient Future
- Fresno Metro Black Chamber of Commerce and Fresno Hispanic Chamber of Commerce — Foundations in Leadership Excellence Workshop
- GreenBiz Group — VERGE Conference for Business Innovators, Entrepreneurs and Public Officials
- Inner City Advisors — 14th Annual Spring Event
- Inner City Advisors — All Out 2012 Small Business Conference
- Institute for Supply Management — 97th Annual International Supply Management Conference and Educational Exhibit
- Institute for Supply Management — 2012 Diversity Summit
- Latino Business Journal — 13th Annual Latino Leaders' Reception for Government and Corporate Leaders
- Latino Coalition — Southern California Economic Summit 2012
- Latino Leaders Magazine — 2012 Maestro Awards
- Lawyers' Committee for Civil Rights of the San Francisco Bay Area — 25th Annual Dr. Martin Luther King Jr. Awards Luncheon
- National Asian American Coalition — 9th Annual Asian American Empowerment, Small Business Development and Homeownership Conference
- National Asian American Coalition — Small Business Training: Grow Your Business 2X
- National Gay and Lesbian Chamber of Commerce — 10th Anniversary National Dinner: Beyond Expectations!
- National Minority Supplier Development Council — 2012 Annual Conference and Business Opportunity Fair
- National Minority Supplier Development Council — 2012 Minority Business Leadership Awards Dinner
- National Minority Supplier Development Council — East Coast Program Manager Seminar
- National Minority Supplier Development Council — Implementation Team Workshop
- National Minority Supplier Development Council — Regional Seminar Supplier Diversity Training
- National Minority Supplier Development Council — West Coast Program Manager Seminar
- Northern California Minority Supplier Development Council — 2012 Awards Gala

- Northern California Minority Supplier Development Council — 2012 Minority Business Expo and Opportunity Fair
- Northern California Minority Supplier Development Council — Annual Meeting & Holiday Luncheon
- Northern California Minority Supplier Development Council — Doing Business with PG&E Workshop and Sourcing Panel Discussion
- Northern California Minority Supplier Diversity Council — Corporate Members Committee Meeting on Strategic Planning
- Oakland African American Chamber of Commerce — Contractors Breakfast
- PG&E — Annual Supplier Awards Dinner and Supplier Conference
- PG&E — Diverse Suppliers Are Safe Webinar Presentation
- PG&E — Smart Grid: Fundamental Concepts and Latest Developments Workshop
- PG&E — Multicultural Media Business Matchmaking Event, Asian Media
- PG&E — Multicultural Media Business Matchmaking Event, Black Media
- PG&E — Prime Suppliers in the Environmental Space Training
- PG&E — Technology Resource Incubation Outreach Symposium
- Philippine American Press Club — Excellence in Journalism Awards Gala
- RAPID — 20th Annual RAPID Technical Conference & Exhibit
- Sacramento Asian Pacific Chamber of Commerce — Annual Dinner
- San Francisco Chamber of Commerce — 2012 Business Showcase Expo
- San Francisco Filipino-American Chamber of Commerce — Small Business Resource and Expo
- San Francisco Small Business Week — Sustainability Workshop
- San Joaquin Hispanic Chamber of Commerce — 2012 Small & Diverse Business Procurement Expo
- SMA Global — California Small Business Advocacy Awards 2012
- SMA Global — Northern California Spring Regional Business Matchmaking Workshop
- SMA Global — Southern California Summer Business Matchmaking Event
- SMA Global — Southern California Regional Business Matchmaking Workshop
- Small Business Administration Partnership — First Annual Diverse and Small Business Contracting with Public Entities Forum
- Small Business Administration Partnership — A Diverse and Small Business Contracting with Utilities and Public Entities Forum
- US Pan Asian American Chamber of Commerce — Business Connections and Top 10 Asian American Businesses
- US Pan Asian American Chamber of Commerce — CelebrAsian Business Opportunity Conference 2012
- WEConnect International — Members and Board of Directors Meetings
- Women's Business Enterprise National Council — 2012 National conference and Business Fair
- Women's Business Enterprise National Council — Committee and Board of Directors Meetings
- Women's Business Enterprise National Council — Summit & Salute Conference

PG&E's Supplier Diversity team actively participated in the following organizations:

- American Indian Chamber of Commerce: Advisory Board
- Asian Business Association Los Angeles: Advisory Board
- California Asian Chamber of Commerce: Advisory Board
- California Disabled Veteran Business Alliance: Corporate Advisory Board
- California Joint Utilities Committee: Board Member
- California Utilities Diversity Council: Procurement Committee Co-Chair

- Edison Electrical Institute: Supplier Diversity Advisory Board
- Electric Utility Industry Sustainable Supply Chain Alliance: Advisory Board
- National Minority Supplier Development Council: Corporate Member, Advisory Board and Strategic Planning Committee
- Northern California Minority Supplier Development Council: Corporate Member
- Women's Business Enterprise National Council: Corporate Member and Global Business Committee
- WE Connect International: Advisory Board Co-Chair

PG&E employees, including company officers, actively participated in the following organizations:

- The Salvation Army, Golden State Division
- American National Red Cross Bay Area Chapter
- Monument Crisis Center
- United Negro College Fund
- Big Brothers Big Sisters Bay Area
- Alliance for Community Development of the San Francisco Bay Area
- San Francisco Food Bank
- Contra Costa Solano Food Bank
- YMCA of the Central Bay Area

PG&E's Community Affairs and Government Relations organizations participated in the following activities:

- African American Museum, Black History Month Celebration Banquet
- African American Network, Kern, Sponsor Annual Outreach Luncheon
- American GI Forum of Modesto, Partnership, Sponsor Annual Event
- Asian American Recovery Services, San Francisco, Partnership, Sponsor Annual Event
- Asian Americans For Community Involvement, Santa Clara, Sponsorships
- Asian Business Institute and Resource Center, Fresno, Board of Directors, Advisory Board, Sponsorship
- Asian Inc., San Francisco, Partnership, Sponsor Annual Event
- Asian Pacific Islander American Public Affairs Association, San Joaquin County, Sponsor Annual Event
- Asian Week Foundation — Hep B Free, San Francisco, Partnership, Sponsor Annual Event
- Barstow Community College District Foundation, Scholarships for underserved students
- Bethany Christian Fellowship Barstow Area, Juneteenth Celebration
- Black Chamber of Commerce, Sonoma, Annual membership
- Black Economic Council, Alameda, Sponsor Annual Dinner and Conference
- Black Expo, Stockton, Sponsor Annual Event
- Boy's and Girl's Club Barstow
- California Veteran's Home of Barstow, co-sponsor walk/run disabled vets
- Canal Alliance (Marin), Annual partnership
- Center For Community Advocacy, Monterey and Santa Cruz Counties, Board of Directors, Sponsorships
- Center for Multicultural Cooperation
- Central California Asian Pacific Women
- Central California Legal Services Inc.
- Centro Latino, San Francisco, Partnership, Sponsor Annual Event
- Chemehuevi Tribe's Elders Recognition Event
- Chinatown Community Development Center, San Francisco, Partnership, Sponsor Annual Event

- Chinese American Voters Education Committee, San Francisco, Partnership, Sponsor Annual Event
- Chinese Consolidated Women's Association, San Francisco, Partnership, Sponsor Annual Event
- Chinese Historical Society, San Francisco, Partnership, Sponsor Annual Event
- Chinese Hospital, San Francisco, Partnership, Sponsor Annual Event
- Clear- Visitation Valley Community Center (Inner City Youth), San Francisco, Partnership, Sponsor Annual Event
- Coalition For Rural Pueblos Economic Development, Fresno, Sponsor Green Job Program
- Community Enrichment Organization, Alameda, Sponsor Annual Community Activity
- Community Youth Center, San Francisco, Partnership, Sponsor Annual Event
- Cypress Mandela Training Institute, Alameda, Sponsor Workforce Development Program
- El Concilio De Fresno Inc.
- El Concilio de San Mateo, Sponsor Annual Events
- Equality California, San Francisco, Partnership, Sponsor Annual Event
- Filipino American Development Foundation (Bayanihan), San Francisco, Partnership, Sponsor Annual Event
- Five Tribes Scholarship Program, Colorado River Indian Tribes
- Foothill De Anza Community Colleges Foundation (APALI), Santa Clara, Sponsor Leadership Program
- Fort Mohave Indian Days
- Fresno Area Hispanic Chamber of Commerce, Fresno, Advisory Board, Membership, Sponsorship
- Fresno Area Hispanic Foundation
- Fresno Center for New Americans
- Fresno County Women's Chamber of Commerce, Fresno, Sponsor Mother of The Year Awards
- Fresno Interdenominational Refugee Ministries
- Fresno Metro Black Chamber Foundation
- Fresno Regional Foundation
- Fresno West Coalition for Economic Development
- Friends of The Urban Forest, San Francisco, Partnership, Sponsor Annual Event
- Girls 2000, San Francisco, Partnership, Sponsor Annual Event
- Girls, Inc., Alameda, Sponsorship, Board Member
- Glide Memorial United Methodist Church (Mo's Kitchen At Glide Church), San Francisco, Partnership, Sponsor Annual Event
- Gonzales Chamber of Commerce, Monterey, Sponsorship
- High Desert Hispanic Chamber of Commerce Foundation, Legislative Power event sponsorship for underserved students to learn about the state legislature
- Hinkley Area Wellness Initiative
- Hispanic Chamber of Commerce of Sonoma County, Annual membership
- Hispanic Chamber of Commerce, Kern, Membership
- Hispanic Chamber of Marin, Marin, Membership
- Hispanic Chamber of San Joaquin County, San Joaquin, Membership, Board of Directors
- Hispanic Chamber of Sonoma County, Sonoma, Membership, Sponsorship, Advisory Committee Member
- Hispanic Foundation, Santa Clara, Sponsorships
- Hualapai Tribe Cultural Center Event
- Instituto Laboral De La Raza, San Francisco, Partnership, Sponsor Annual Event
- Japanese Community Youth Council (JCYC), San Francisco, Partnership, Sponsor Annual Event
- Japanese Cultural & Community Center, San Francisco, Partnership, Sponsor Annual Event

- Japantown Task Force, San Francisco, Partnership, Sponsor Annual Event
- Jewish Vocational Services, San Francisco, Partnership, Sponsor Annual Event
- Latino Council, (Marin), Annual membership
- Lend A Hand, Alameda, Sponsor Resource Center
- Lotus Bloom, Alameda, Sponsor Community Event
- Marin City Community Development Corporation, Annual partnership
- Merced Hispanic Chamber, Merced, Membership
- Merced Lao Family Community, Annual Sponsorship of Hmong New Year
- Mission Language & Vocational School, San Francisco, Partnership, Sponsor Annual Event
- NAACP of East Contra Costa County, Sponsor Annual Dinner
- NAACP of Merced County, Sponsorship of Annual Event
- NAACP of San Joaquin County, Sponsor of Annual Event
- National Center For Lesbian Rights, San Francisco, Partnership, Sponsor Annual Event
- NICOS Services Center, San Francisco, Partnership, Sponsor Annual Event
- North Bay Black Chamber, Membership, Sponsorship
- Oakland African American Chamber, Alameda, Sponsorship, Board Member
- Omega Boys Club, San Francisco, Partnership, Sponsor Annual Event
- Organization of Chinese Americans, Alameda, Sponsorship Annual Event
- Pacific Asian American Women Bay Area Coalition, San Francisco, Partnership, Sponsor Annual Event
- Pacific News Service
- Richmond Build, Contra Costa, Partnership, Sponsor Workforce Development
- Richmond Community Foundation, Contra Costa, Sponsorship, Board Member
- Sacramento Asian Chamber, Sacramento, Membership, Sponsorships, Board of Directors
- Sacramento Black Chamber, Sacramento, Membership, Sponsorships
- Sacramento Hispanic Chamber, Sacramento, Membership, Sponsorships, Board of Directors, PAC Board
- Salinas United Business Association, Monterey, Sponsorship of Annual El Grito Festival
- San Francisco Hispanic Chamber Foundation (Economic Empowerment Fund), San Francisco, Partnership, Sponsor Annual Event
- San Francisco LGBT Center (The Community Center Project of SF, Inc.), San Francisco, Partnership, Sponsor Annual Event
- San Francisco LGBT Historical Society, San Francisco, Partnership, Sponsor Annual Event
- San Francisco State: College of Ethnic Studies, San Francisco, Partnership, Sponsor Annual Event
- San Joaquin County Women's Center, Sponsor Annual Event
- San Joaquin Valley Black Chamber of Commerce, Fresno, Membership, Sponsorship
- San Leandro African American Business Council, Alameda, Sponsorship Annual Event
- San Mateo Latino Leadership Council, San Mateo, Partnership, Sponsor Annual Event
- Self-Help for the Elderly, San Francisco, Partnership, Sponsor Annual Event
- Silicon Valley Hispanic Chamber, Santa Clara, Sponsorship
- South San Joaquin County Hispanic Chamber, San Joaquin, Membership
- Solano Black Chamber, Solano, Memberships
- Solano Hispanic Chamber, Solano, Membership, Sponsorship
- Spanish Speaking Unity Council, Alameda, Sponsorship Annual Event
- Sunset District Autumn Festival (Bay Culture, Inc.), San Francisco, Partnership, Sponsor Annual Event



- Sunset District Community Development, San Francisco, Partnership, Sponsor Annual Event
- Tenderloin Neighborhood Development Center, San Francisco, Partnership, Sponsor Annual Event
- Tulare Hispanic Chamber of Commerce, Tulare, Membership
- Vietnamese Community Center, San Francisco, Partnership, Sponsor Annual Event
- Voto Latino, San Francisco, Partnership, Sponsor Annual Event
- West Bay Filipino Multi-Service Center, San Francisco, Partnership, Sponsor Annual Event
- Workforce Development Training and Job Readiness Program
- YMCA of the East Bay — Richmond, Contra Costa, Partnership
- YWCA of Sonoma County, Annual partnership

## **G. Presentations and Training**

Sharing supplier diversity best practices and coaching on how to do business successfully with PG&E was part of the PG&E culture. Again in 2012, PG&E representatives made a number of presentations to DBEs, supplier diversity advocacy organizations and industry forums. PG&E presentations were given at the following events:

- Advanced Technology Management Institute — Module I Workshop
- Advanced Technology Management Institute — Module II Workshop
- Advanced Technology Management Institute — Module III Workshop
- Alliance for Community Development — Bay Area Capital Connections Conference
- Alliance For Community Development — Financial Foundations for Accessing Capital Workshop
- American Indian Chamber of Commerce of California — EXPO '12 Annual Conference
- California Public Utilities Commission — Small Business Expo and Matchmaking Event in Northern California
- California Public Utilities Commission — Small Business Expo and Matchmaking Event in Southern California
- Community Advisory Council — Spring Kick-Off Meeting
- Community Advisory Council — Summer Meeting
- Community Advisory Council — Winter Meeting
- Edison Electric Institute — 28th Annual Supplier Diversity Conference: New Energy, New Strategies for Generating Growth through Utilities
- Fresno Metro Black Chamber of Commerce and Fresno Hispanic Chamber of Commerce — Foundations in Leadership Excellence Workshop
- Institute for Supply Management — 97th Annual International Supply Management Conference and Educational Exhibit
- Institute for Supply Management — 2012 Diversity Summit: Linking Women-Owned Businesses into the Value Chain Workshop
- National Asian American Coalition — Small Business Training: Grow Your Business 2X
- National Minority Supplier Development Council — 2012 Annual Conference and Business Opportunity Fair
- National Minority Supplier Development Council — Regional Seminar Supplier Diversity Training
- National Minority Supplier Development Council — West Coast Program Manager Seminar
- National Minority Supplier Development Council — East Coast Program Manager Seminar
- Northern California Minority Supplier Development Council — Doing Business with PG&E Workshop and Sourcing Panel Discussion
- PG&E — Annual Supplier Awards Dinner and Supplier Conference
- PG&E — Diverse Suppliers Are Safe Webinar Presentation
- PG&E — Multicultural Media Business Matchmaking Event, Asian Media
- PG&E — Multicultural Media Business Matchmaking Event, Black Media

- PG&E — Prime Suppliers in the Environmental Space Training
- PG&E — Smart Grid: Fundamental Concepts and Latest Developments Workshop
- PG&E — Technology Resource Incubation Outreach Symposium
- San Francisco Small Business Week — Sustainability Workshop
- San Joaquin Hispanic Chamber of Commerce — 2012 Small & Diverse Business Procurement Expo
- SMA Global — Northern California Regional Business Matchmaking Workshop
- Small Business Administration Partnership — First Annual Diverse and Small Business Contracting with Public Entities Forum
- Small Business Administration Partnership — A Diverse and Small Business Contracting with Utilities and Public Entities Forum

### ***PG&E Hosted Events:***

- Fresno Metro Black Chamber of Commerce and Fresno Hispanic Chamber of Commerce — Foundations in Leadership Excellence Workshop
- National Asian American Coalition — Small Business Training: Grow Your Business 2X
- National Minority Supplier Development Council — West Coast Program Manager Seminar
- Northern California Minority Supplier Development Council — Doing Business with PG&E Workshop and Sourcing Panel Discussion
- PG&E — Annual Supplier Awards Dinner and Supplier Conference
- PG&E — Diverse Suppliers Are Safe Webinar Presentation
- PG&E — Multicultural Media Business Matchmaking Event, Asian Media
- PG&E — Multicultural Media Business Matchmaking Event, Black Media
- PG&E — Prime Suppliers in the Environmental Space Training
- PG&E — Smart Grid: Fundamental Concepts and Latest Developments Workshop
- PG&E — Technology Resource Incubation Outreach Symposium
- San Francisco Small Business Week — Sustainability Workshop
- Small Business Administration Partnership — First Annual Diverse and Small Business Contracting with Public Entities Forum
- Small Business Administration Partnership — A Diverse and Small Business Contracting with Utilities and Public Entities Forum

## **H. Awards and Recognition**

PG&E's efforts and accomplishments in promoting diversity in areas such as community, workforce and supply chain have been widely recognized over the years. Most recently PG&E was:

- Ranked No. 1 on the 2012 *Hispanic Business Magazine* Top 25 Leaders in Supplier Diversity
- Ranked No. 1 in *DiversityInc* Top 5 Regional Utilities
- Ranked No. 7 in *DiversityInc* Top 10 Companies for Supplier Diversity
- Named to *Black Enterprise Magazine* 40 Best Companies for Diversity
- Presented with "Supplier Diversity Innovation" award by the Edison Electric Institute for outstanding leadership
- Named to Women's Business Enterprise National Council "2011 America's Top Corporations for Women's Business Enterprises"
- Named "Corporation of the Year" by Oakland African American Chamber of Commerce
- Named "Corporation of the Year" by the Northern California Minority Supplier Diversity Council, for the second time in a row

- PG&E's Chief Financial Officer named "Executive of the Year" by the Northern California Minority Supplier Diversity Council
- PG&E's gas and electric Sourcing Director presented with "Charles McDonald" award by the Institute for Supply Management for supplier diversity leadership in the supply management profession
- Named "Best Diversity Company" in *Diversity/Careers in Engineering and Technology* 2011 Readers Choice Survey
- Presented with "California Small Business Advocacy 2012" award by the small businesses of Business Matchmaking in cooperation with the Small Business Administration
- Presented with the "Continued Leadership in Supplier Diversity" award by SMA Global

## Sec. 9.1.2 Summary of Purchases

### Supplier Diversity Annual Results by Ethnicity

		2012			
		Direct \$	Sub \$	Total \$	%
Minority Men	Asian-Pacific	138,091,288	32,138,647	170,229,934	3.22%
	Black	227,519,222	22,112,459	249,631,680	4.72%
	Hispanic	188,364,953	166,902,328	355,267,280	6.72%
	Native-American	83,469,514	21,615,189	105,084,704	1.99%
	<b>Total Minority Men</b>	<b>637,444,977</b>	<b>242,768,622</b>	<b>880,213,599</b>	<b>16.66%</b>
Minority Women	Asian-Pacific	68,723,386	50,893,830	119,617,216	2.26%
	Black	102,534,675	3,617,516	106,152,191	2.01%
	Hispanic	68,474,609	36,907,400	105,382,009	1.99%
	Native-American	54,299,451	12,205,922	66,505,373	1.26%
	<b>Total Minority Women</b>	<b>294,032,121</b>	<b>103,624,668</b>	<b>397,656,788</b>	<b>7.53%</b>

<b>Total Minority Business Enterprise (MBE)</b>	<b>931,477,097</b>	<b>346,393,290</b>	<b>1,277,870,387</b>	<b>24.18%</b>
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<b>Women Business Enterprise (WBE)</b>	<b>450,550,047</b>	<b>208,344,799</b>	<b>658,894,846</b>	<b>12.47%</b>
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<b>Subtotal Women, Minority Business Enterprise (MWBE)</b>	<b>1,382,027,144</b>	<b>554,738,089</b>	<b>1,936,765,233</b>	<b>36.65%</b>
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<b>Service Disabled Veteran Business Enterprise (DVBE)</b>	<b>59,128,344</b>	<b>55,925,223</b>	<b>115,053,568</b>	<b>2.18%</b>
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<b>TOTAL DBE</b>	<b>1,441,155,488</b>	<b>610,663,312</b>	<b>2,051,818,801</b>	<b>38.83%</b>
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<b>Gross Procurement</b>	<b>5,284,463,460</b>
<b>Exclusions</b>	<b>-</b>
<b>Net Procurement</b>	<b>5,284,463,460</b>

Totals may not add due to rounding.

## Supplier Diversity Direct Procurement by Products and Services Category

			Products <sup>1</sup>		Services <sup>2</sup>		TOTAL <sup>3</sup>	
			\$	%	\$	%	\$	%
Minority Men	Asian-Pacific	Direct	55,186,194	4.06%	82,905,093	2.11%	138,091,288	2.61%
	Black	Direct	95,814,567	7.05%	131,704,655	3.35%	227,519,222	4.31%
	Hispanic	Direct	114,205,687	8.41%	74,159,265	1.89%	188,364,953	3.56%
	Native-American	Direct	78,443,047	5.77%	5,026,468	0.13%	83,469,514	1.58%
	<b>Total Minority Men</b>	<b>Direct</b>	<b>343,649,495</b>	<b>25.30%</b>	<b>293,795,481</b>	<b>7.48%</b>	<b>637,444,977</b>	<b>12.06%</b>
Minority Women	Asian-Pacific	Direct	54,754,605	4.03%	13,968,781	0.36%	68,723,386	1.30%
	Black	Direct	371,335	0.03%	102,163,340	2.60%	102,534,675	1.94%
	Hispanic	Direct	44,419,076	3.27%	24,055,533	0.61%	68,474,609	1.30%
	Native-American	Direct	8,444,829	0.62%	45,854,622	1.17%	54,299,451	1.03%
	<b>Total Minority Women</b>	<b>Direct</b>	<b>107,989,845</b>	<b>7.95%</b>	<b>186,042,276</b>	<b>4.74%</b>	<b>294,032,121</b>	<b>5.56%</b>

<b>Total Minority Business Enterprise (MBE)</b>	<b>Direct</b>	<b>451,639,340</b>	<b>33.25%</b>	<b>479,837,757</b>	<b>12.22%</b>	<b>931,477,097</b>	<b>17.63%</b>
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<b>Women Business Enterprise (WBE)</b>	<b>Direct</b>	<b>58,114,520</b>	<b>4.28%</b>	<b>392,435,527</b>	<b>10.00%</b>	<b>450,550,047</b>	<b>8.53%</b>
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<b>Total Women, Minority Business Enterprise (MWBE)</b>	<b>Direct</b>	<b>509,753,860</b>	<b>37.52%</b>	<b>872,273,284</b>	<b>22.22%</b>	<b>1,382,027,144</b>	<b>26.15%</b>
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<b>Service Disabled Veteran Business Enterprise (DVBE)</b>	<b>Direct</b>	<b>44,229,736</b>	<b>3.26%</b>	<b>14,898,608</b>	<b>0.38%</b>	<b>59,128,344</b>	<b>1.12%</b>
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<b>TOTAL DBE</b>	<b>Direct</b>	<b>553,983,596</b>	<b>40.78%</b>	<b>887,171,892</b>	<b>22.60%</b>	<b>1,441,155,488</b>	<b>27.27%</b>
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<b>Gross Procurement</b>	<b>5,284,463,460</b>
<b>Exclusions</b>	<b>-</b>
<b>Net Procurement</b>	<b>5,284,463,460</b>
<b>Total Product Procurement</b>	<b>1,358,444,940</b>
<b>Total Service Procurement</b>	<b>3,926,018,520</b>
<b>Net Procurement</b>	<b>5,284,463,460</b>

<sup>1</sup> Percentages for "Products" expenditures are DBE expenditures compared to "Total Product Procurement" expenditures.

<sup>2</sup> Percentages for "Services" expenditures are DBE expenditures compared to "Total Service Procurement" expenditures.

<sup>3</sup> Percentages for "TOTAL" expenditures are DBE expenditures compared to "Net Procurement" expenditures.

Totals may not add due to rounding.

## Supplier Diversity Subcontracting Procurement by Products and Service Categories

			Products		Services		TOTAL <sup>1</sup>	
			\$	%	\$	%	\$	%
Minority Men	Asian-Pacific	Sub	n/a	n/a	n/a	n/a	32,138,647	0.61%
	Black	Sub	n/a	n/a	n/a	n/a	22,112,459	0.42%
	Hispanic	Sub	n/a	n/a	n/a	n/a	166,902,328	3.16%
	Native-American	Sub	n/a	n/a	n/a	n/a	21,615,189	0.41%
	<b>Total Minority Men</b>	<b>Sub</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>242,768,622</b>	<b>4.59%</b>
Minority Women	Asian-Pacific	Sub	n/a	n/a	n/a	n/a	50,893,830	0.96%
	Black	Sub	n/a	n/a	n/a	n/a	3,617,516	0.07%
	Hispanic	Sub	n/a	n/a	n/a	n/a	36,907,400	0.70%
	Native-American	Sub	n/a	n/a	n/a	n/a	12,205,922	0.23%
	<b>Total Minority Women</b>	<b>Sub</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>103,624,668</b>	<b>1.96%</b>

<b>Total Minority Business Enterprise (MBE)</b>	<b>Sub</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>346,393,290</b>	<b>6.55%</b>
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<b>Women Business Enterprise (WBE)</b>	<b>Sub</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>208,344,799</b>	<b>3.94%</b>
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<b>Total Women, Minority Business Enterprise (MWBE)</b>	<b>Sub</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>554,738,089</b>	<b>10.50%</b>
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<b>Service Disabled Veteran Business Enterprise (DVBE)</b>	<b>Sub</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>55,925,223</b>	<b>1.06%</b>
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<b>TOTAL DBE</b>	<b>Sub</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>610,663,312</b>	<b>11.56%</b>
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<b>Gross Procurement</b>	<b>5,284,463,460</b>
<b>Exclusions</b>	
<b>Net Procurement</b>	<b>5,284,463,460</b>

<b>Total Product Procurement</b>	<b>1,358,444,940</b>
<b>Total Service Procurement</b>	<b>3,926,018,520</b>
<b>Net Procurement</b>	<b>5,284,463,460</b>

<sup>1</sup> Percentages for "TOTAL" expenditures are DBE expenditures compared to "Net Procurement" expenditures.

Totals may not add due to rounding.

**Table 6A**

**2012 Combined Minority and Caucasian Women Procurement Results for Large Utilities**  
**(in Dollars and as a Percentage of Total Corporate Procurement)**

	Minority Women	Caucasian Women	Combined Women	Total Corporate
<b>PG&amp;E</b>				
<b>Direct</b>	\$294,032,121	\$450,550,047	\$744,582,167	
	5.56%	8.53%	14.09%	
<b>Subcontracting</b>	\$103,624,668	\$208,344,799	\$311,969,467	
	1.96%	3.94%	5.90%	
<b>Combined</b>	\$397,656,788	\$658,894,846	\$1,056,551,634	\$5,284,463,460
	7.53%	12.47%	19.99%	

Totals may not add due to rounding.

**Table 7A**

**2012 DVBE Procurement Results for Large and Small Utilities**  
**(in Dollars and as a Percentage of Total Corporate Procurement)**

	DVBE Procurement	DVBE %	Total Procurement
<b>PG&amp;E</b>	\$115,053,568	2.18%	\$5,284,463,460

Totals may not add due to rounding.

**Table 1A**

**2012 Supplier Diversity Procurement Results for Large Utilities**

	Total Procurement	MBE	WBE	DVBE	Total DBE
<b>PG&amp;E</b>					
<b>Direct</b>		\$931,477,097	\$450,550,047	\$59,128,344	\$1,441,155,488
		17.63%	8.53%	1.12%	27.27%
<b>Subcontracting</b>		\$346,393,290	\$208,344,799	\$55,925,223	\$610,663,312
		6.55%	3.94%	1.06%	11.56%
<b>Combined</b>	\$5,284,463,460	\$1,277,870,387	\$658,894,846	\$115,053,568	\$2,051,818,801
		24.18%	12.47%	2.18%	38.83%

Totals may not add due to rounding.

## DBE Procurement SIC Code Legend

PACIFIC GAS & ELECTRIC COMPANY
CALENDAR YEAR 2012
G.O. #156 Sec. 9.1.2

Major Group Code	Major Group Description	Description of Items
07	Agricultural Services	Ornamental Shrub and Tree Services, Ornamental floriculture
15	General Business Contractors	Industrial Buildings and Warehouses, Residential Building, Other Than Single-Family
17	Special Trade Contractors	Carpentry Work, concrete, electrical, excavation
24	Lumber and Wood Products	Wood poles
25	Furniture and Fixtures	Office furniture, metal household furniture
26	Paper and Allied Products	Envelopes, coated paper, paper mills
27	Printing and Publishing	Bookbinding and Related Work, typesetting, commercial printing
28	Chemicals and Allied Products	Chemical preparation, Industrial chemicals, paints, varnishes
29	Petroleum and Coal Products	Lubricating oils and greases
30	Rubber and Misc. Plastics Products	Plastic products, rubber and plastic hoses
32	Stone, Clay, and Glass Products	Concrete products, ready-mixed concrete, cement
33	Primary Metal Industries	Primary metal products, steel pipe
34	Fabricated Metal Products	Heating Equipment, Fabricated Structural Metal, Miscellaneous Fabricated Wire Products
35	Industrial Machinery and Equipment	Mechanical Power Transmission Equipment, Steam, Gas, and Hydraulic Turbines, and Turbine Generator Set Units
36	Electronic & Other Electric Equipment	Switchgear and Switchboard Apparatus, Power, Distribution, and Speciality Transformers
37	Transportation Equipment	Truck and Bus Bodies, Aircraft Engines and Engine Parts
38	Instruments and Related Products	Instruments for Measuring and Testing of Electricity and Electrical Signals
39	Miscellaneous Manufacturing Industries	Signs and Advertising Specialties, Marking Devices
42	Trucking and Warehousing	Local Trucking
45	Transportation By Air	Air Transportation
46	Pipelines, Except Natural Gas	Pipelines
47	Transportation Services	Arrangement of Transportation of Freight and Cargo
48	Communications	Telephone Communications, Communications Services
49	Electric, Gas, and Sanitary Services	Refuse Systems, Electric Services (hydroelectric power generation)
50	Wholesale Trade-Durable Goods	Electrical Apparatus and Equipment, Wiring Supplies and Construction Materials, computers
51	Wholesale Trade-Nondurable Goods	Petroleum and Petroleum Products Wholesalers, Stationery and Office Supplies
52	Building Materials & Garden Supplies	Hardware Stores, Lumber and Other Building Materials
55	Automotive Dealers & Service Stations	Motor Vehicle Dealers
56	Apparel and Accessory Stores	Miscellaneous Apparel and Accessory Stores
58	Eating and Drinking Places	Eating and Drinking Places
63	Insurance Carriers	Fire, Marine, and Casualty Insurance
65	Real Estate	Real Estate Agents Managers
72	Personal Services	Hotels and Motels
73	Business Services	Help Supply Services, Computer Programming Services, Advertising Agencies
75	Auto Repair, Services, and Parking	Top, Body, and Upholstery Repair Shops and Paint Shops, Automotive Repair Shops
76	Miscellaneous Repair Services	Electrical and Electronic Repair Shops
78	Motion Pictures	Motion Picture and Video Tape Production
80	Health Services	Offices and Clinics of Doctors of Medicine
81	Legal Services	Law firms
87	Engineering & Management Services	Engineering Services, Accounting, Auditing, and Bookkeeping Services, Management Consulting Services



## 9.1.2 Supplier Diversity Procurement By Standard Industry Code – Detail

SIC Category	Asian/Pacific American				African American				Hispanic American				Native American				Total Minority Men		Total Minority Women		Minority Business Enterprise (MBE)		Women Business Enterprise (WBE)		Subtotal Women, Minority Business Enterprise (WMBE)		Service Disabled Veterans Enterprise (DVBE)		Total DBE		Total Exp	
		Men	Women		Men	Women		Men	Women	Men	Women		Men	Women		Men	Women															
07. Agricultural Services	\$	1,730	417,641	199,801	0	17,454,479	594,634	1,790,649	0	19,446,659	1,014,275	20,460,934	12,659,247	33,120,181	0	0	0	0	0	0	0	0	0	0	0	0	0	0	33,120,181	162,814,840		
	%	0.00%	0.26%	0.12%	0.00%	10.72%	0.37%	1.10%	0.00%	11.94%	0.62%	12.57%	7.78%	20.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.34%	22,34%		
15. General Business Contractors	\$	1,144,957	3,059,558	2,857,008	394,517	38,722,109	5,609,441	6,202,201	9,117,233	48,928,275	18,180,749	67,109,024	37,730,209	104,839,233	21,385,942	0	0	0	0	0	0	0	0	0	0	0	0	0	126,225,175	451,919,952		
	%	0.25%	0.68%	0.63%	0.09%	8.57%	1.24%	1.37%	2.02%	10.83%	4.02%	14.85%	8.35%	23.20%	4.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	27.93%	27.93%			
17. Special Trade Contractors	\$	2,720,301	1,522,493	1,313,786	410	101,507,730	11,605,424	926,710	41,028,410	106,448,527	54,156,737	160,625,264	161,445,628	322,070,892	21,148,673	0	0	0	0	0	0	0	0	0	0	0	0	0	343,219,565	830,100,783		
	%	0.33%	0.18%	0.16%	0.00%	12.23%	1.40%	0.11%	4.94%	12.83%	6.52%	19.35%	19.45%	38.80%	2.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	41.35%	41.35%			
24. Lumber and Wood Products	\$	624,399	0	0	0	11,407	0	0	0	635,806	0	635,806	4,637,898	5,273,704	0	0	0	0	0	0	0	0	0	0	0	0	0	5,273,704	18,281,113			
	%	3.42%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	3.48%	0.00%	3.48%	25.37%	28.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	28.85%	28.85%			
25. Furniture and Fixtures	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	23,921,473	31,614,003			
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	75.67%	75.67%			
26. Paper and Allied Products	\$	0	0	812,838	0	0	0	0	0	812,838	0	812,838	82,346	895,184	0	0	0	0	0	0	0	0	0	0	0	0	0	0	895,184	10,418,358		
	%	0.00%	0.00%	7.80%	0.00%	0.00%	0.00%	0.00%	0.00%	7.80%	0.00%	7.80%	0.79%	8.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.59%	8.59%			
27. Printing and Publishing	\$	1,144,690	322,890	0	0	160,474	547,379	367,036	0	1,674,200	870,270	2,544,470	4,395,279	6,939,749	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,939,749	18,052,941		
	%	6.35%	1.79%	0.00%	0.00%	0.89%	3.03%	2.03%	0.00%	9.27%	4.82%	14.09%	24.35%	38.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	38.44%	38.44%			
28. Chemicals and Allied Products	\$	0	0	0	0	0	0	0	0	441,109	0	441,109	204,503	645,612	0	0	0	0	0	0	0	0	0	0	0	0	0	0	645,612	8,581,216		
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.14%	5.14%	5.14%	2.38%	7.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.52%	7.52%			
29. Petroleum and Coal Products	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	71,163		
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
30. Rubber and Misc. -Plastics Products	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	442,877	18,190,657			
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.43%	2.43%			
32. Stone, Clay, and Glass Products	\$	0	0	0	0	138,177	646,939	0	0	138,177	646,939	785,117	617,976	1,403,092	9,075	0	0	0	0	0	0	0	0	0	0	0	0	0	1,412,167	9,043,102		
	%	0.00%	0.00%	0.00%	0.00%	1.53%	7.15%	0.00%	0.00%	1.53%	7.15%	8.68%	6.83%	15.52%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.62%	15.62%			
33. Primary Metal Industries	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	224,602	1,110,010			
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.23%	20.23%			
34. Fabricated Metal Products	\$	10,736	14,882,803	0	0	3,513,182	0	0	0	3,523,918	14,882,803	18,406,721	222,818	18,629,539	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18,629,539	55,953,894		
	%	0.02%	26.60%	0.00%	0.00%	6.28%	0.00%	0.00%	0.00%	6.30%	26.60%	32.90%	0.40%	33.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	33.29%	33.29%			
35. Industrial Machinery and Equipment	\$	3,362,371	1,103,024	33,037,586	0	1,933,307	19,935	65,930	0	38,399,193	1,122,958	39,522,151	37,655,661	77,177,813	1,172,719	0	0	0	0	0	0	0	0	0	0	0	0	0	78,350,532	380,132,986		
	%	0.88%	0.29%	8.69%	0.00%	0.51%	0.01%	0.02%	0.00%	10.10%	0.30%	10.40%	9.91%	20.30%	0.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.61%	20.61%			
36. Electronic & Other Electric Equipment	\$	23,013,824	0	34,562	0	3,755,039	920,534	0	0	26,803,425	920,534	27,723,959	961,778	28,685,737	785,714	0	0	0	0	0	0	0	0	0	0	0	0	0	29,471,451	124,496,371		
	%	18.49%	0.00%	0.03%	0.00%	3.02%	0.74%	0.00%	0.00%	21.53%	0.74%	22.27%	0.77%	23.04%	0.63%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	23.67%	23.67%			
37. Transportation Equipment	\$	0	0	0	0	8,230	0	78,262,335	0	78,270,565	0	78,270,565	0	78,270,565	163,240	0	0	0	0	0	0	0	0	0	0	0	0	0	78,433,805	84,997,416		
	%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	92.08%	0.00%	92.09%	0.00%	92.09%	0.00%	92.09%	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	92.28%	92.28%			
38. Instruments and Related Products	\$	1,032,279	0	7,696,714	0	321,214	0	0	0	8,728,994	321,214	9,050,208	135,135	9,185,342	1,557,218	0	0	0	0	0	0	0	0	0	0	0	0	0	10,742,561	48,839,568		
	%	2.11%	0.00%	15.76%	0.00%	0.66%	0.00%	0.00%	0.00%	17.87%	0.66%	18.53%	0.28%	18.81%	3.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	22.00%	22.00%			
39. Miscellaneous Manufacturing Industries	\$	0	0	0	0	2,268	0	0	0	2,268	0	2,268	31,238	33,506	0	0	0	0	0	0	0	0	0	0	0	0	0	0	33,506	1,387,959		
	%	0.00%	0.00%	0.00%	0.00%	0.16%	0.00%	0.00%	0.00%	0.16%	0.00%	0.16%	2.25%	2.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.41%	2.41%			
42. Trucking and Warehousing	\$	0	0	0	0	2,543,667	84,254	0	499,715	555,928	3,127,637	3,683,564	1,517,928	5,201,492	1,204,529	0	0	0	0	0	0	0	0	0	0	0	0	0	6,406,021	10,466,442		
	%	0.00%	0.00%	0.00%	0.00%	5.31%	0.80%	0.00%	4.77%	5.31%	29.88%	35.19%	14.50%	49.70%	11.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	61.21%	61.21%			
45. Transportation By Air	\$	0	0	0	0	924,133	0	0	0	924,133	0	924,133	3,966,675	4,890,808	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,890,808	18,948,108		
	%	0.00%	0.00%	0.00%	0.00%	4.87%	0.00%	0.00%	0.00%	4.87%	0.00%	4.87%	20.91%	25.78%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.78%	25.78%			

Totals may not add due to rounding.

## 9.1.2 Supplier Diversity Procurement By Standard Industry Code – Detail (cont'd)

SIC Category		Asian/Pacific American				African American				Hispanic American				Native American				Total Minority		Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Subtotal Women, Minority Business Enterprise (WMBE)	Service Disabled Veterans Business Enterprise (SDVBE)	Total DBE	Total Exp
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women						
46. Pipelines, Except Natural Gas	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	47,570
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
47. Transportation Services	\$	119,789	40,294	0	2,587,199	1,480,614	825,120	885,044	0	2,485,467	3,452,613	5,938,080	1,465,373	7,403,453	308,575	7,712,028	8,619,343								
	%	1.39%	0.47%	0.00%	30.02%	17.18%	9.57%	10.27%	0.00%	28.84%	40.06%	68.89%	17.00%	85.89%	3.58%	89.47%	21,969,779								
48. Communications	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,368,322
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	19.88%								
49. Electric, Gas, and Sanitary Services	\$	10,674,871	0	976,644	86,654	607,135	6,599,284	0	0	12,258,649	6,685,938	18,944,587	46,967,485	65,912,072	437,166	66,349,238	117,021,883								
	%	9.12%	0.00%	0.83%	0.07%	5.64%	0.52%	0.00%	0.00%	10.48%	5.71%	16.19%	40.14%	56.32%	0.37%	56.70%	17,021,883								
50. Wholesale Trade-Durable Goods	\$	33,657,605	65,892,693	10,151,438	371,335	111,879,525	28,443,405	231,109	10,316,325	155,919,878	105,023,759	260,943,636	44,025,052	304,968,688	43,450	305,012,138	652,889,997								
	%	5.16%	10.09%	1.55%	0.06%	17.14%	4.36%	0.04%	1.58%	23.88%	16.09%	39.97%	6.74%	46.71%	0.01%	46.72%	652,889,997								
51. Wholesale Trade-Nondurable Goods	\$	11,100	0	0	0	2,494,168	37,255,438	0	0	2,505,268	37,255,438	39,760,707	1,058,108	40,818,815	60	40,818,875	52,420,831								
	%	0.02%	0.00%	0.00%	0.00%	4.76%	71.07%	0.00%	0.00%	4.78%	71.07%	75.85%	2.02%	77.87%	0.00%	77.87%	52,420,831								
52. Building Materials & Garden Supplies	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,998,428								
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4,998,428								
55. Automotive Dealers & Service Stations	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	631,671								
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	631,671								
56. Apparel and Accessory Stores	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	150,317								
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	150,317								
58. Eating and Drinking Places	\$	0	0	2,101,278	0	0	0	0	0	2,101,278	0	2,101,278	2,992	2,104,270	0	2,104,270	3,202,912								
	%	0.00%	0.00%	45.61%	0.00%	0.00%	0.00%	0.00%	0.00%	65.61%	0.00%	65.61%	0.09%	65.70%	0.00%	65.70%	3,202,912								
63. Insurance Carriers	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	455,477								
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	455,477								
65. Real Estate	\$	902,041	324,624	64,724	0	1,310,048	10,980	46,558	0	2,323,372	335,604	2,658,976	16,211,477	18,870,453	52,780	18,923,233	54,652,086								
	%	1.7%	0.8%	0.1%	0.0%	2.4%	0.0%	0.1%	0.0%	4.3%	0.8%	4.9%	29.7%	34.5%	0.1%	34.6%	54,652,086								
72. Personal Services	\$	331,859	17,072	253,883	0	0	0	8,615	0	594,357	17,072	611,429	116,736	728,165	11,436,452	12,164,617	20,654,882								
	%	1.61%	0.08%	1.23%	0.00%	0.00%	0.00%	0.04%	0.00%	2.88%	0.08%	2.96%	0.57%	3.53%	55.37%	58.89%	20,654,882								
73. Business Services	\$	14,716,289	2,242,395	56,412,948	98,726,513	8,424,901	5,502,023	2,798,847	7,763	82,352,985	106,478,694	188,831,679	87,572,131	276,403,810	45,843,673	322,247,483	640,059,945								
	%	2.30%	0.35%	8.81%	15.42%	1.32%	0.86%	0.44%	0.00%	12.87%	16.64%	29.50%	13.68%	43.18%	7.16%	50.35%	640,059,945								
75. Auto Repair, Services, and Parking	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,148,014								
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5,148,014								
76. Miscellaneous Repair Services	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	19,849,733								
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	19,849,733								
78. Motion Pictures	\$	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	231,151								
	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	231,151								
80. Health Services	\$	0	1,086,021	0	0	0	0	0	0	0	1,086,021	1,086,021	0	1,086,021	0	1,086,021	2,957,564								
	%	0.00%	36.72%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	36.72%	36.72%	0.00%	36.72%	0.00%	36.72%	2,957,564								
81. Legal Services	\$	247,389	1,394,770	1,027,637	299,937	187,140	0	0	0	1,462,166	1,694,707	3,156,873	12,244,664	15,401,537	207,696	15,609,233	104,952,081								
	%	0.24%	1.33%	0.98%	0.29%	0.18%	0.00%	0.00%	0.00%	1.39%	1.61%	3.01%	11.67%	14.67%	0.20%	14.87%	104,952,081								
87. Engineering & Management Services	\$	76,509,704	27,310,938	132,690,633	1,141,958	60,197,285	6,394,004	13,499,650	5,094,817	282,897,272	39,941,717	322,838,990	156,026,793	478,885,783	6,966,415	485,832,198	1,288,108,815								
	%	5.94%	2.12%	10.30%	0.09%	4.67%	0.50%	1.05%	0.40%	21.96%	3.10%	25.06%	12.11%	37.18%	0.54%	37.72%	1,288,108,815								
Total	\$	170,229,934	119,617,216	249,631,680	106,152,191	355,267,280	105,382,020	105,084,704	66,505,373	880,213,599	397,656,788	1,277,970,387	658,994,846	1,936,745,233	115,053,568	2,051,818,801	5,284,463,460								
	%	3.22%	2.26%	4.72%	2.01%	6.72%	1.99%	1.99%	1.26%	16.66%	7.53%	24.18%	12.47%	36.65%	2.18%	38.83%	5,284,463,460								

Totals may not add due to rounding.

PG&E's Supplier Diversity Program is multi-faceted and focuses on DBE development throughout its direct and subcontracting processes. Therefore, the total number of DBE contracts is reflective of both aspects of this commitment. Based on that premise, the number of contracts (as represented by the total number of DBEs doing business in the PG&E supply chain) decreased from 1,017 in 2011 to 959 in 2012, representing a 5.7% year-over-year decrease.

### Sec. 9.1.3 Program Expenses

Expense Category	2012 Actuals
Wages	\$1,501,073
Other Employee Expense	\$174,473
Program Expense	\$822,039
Reporting Expense	\$44,300
Training	\$16,771
Consultants*	\$205,023
Other Employee Expense	\$120,436
<b>TOTAL</b>	<b>\$2,884,114</b>

\*Consultants: PG&E portion of the cost of the CPUC Clearinghouse

- Wages: salary and payroll-related costs of employees working on DBE matters.
- Other Employee Expenses: office space, travel and other non-wage costs.
- Program Expenses: printing, postage, supplies, outreach and other costs directly related to programs.
- Reporting Expenses: computer, accounting, printing and other expenses in preparing reports to the CPUC.
- Training: costs related to training employees (internal) and suppliers (external).
- Other: miscellaneous costs/credits that do not fall in other categories.

### Sec. 9.1.4 Description of Progress in Meeting or Exceeding Set Goals

Category	Current Year Results	Current Year Goals
Minority Men	16.66%	12.00%
Minority Women	7.53%	3.00%
Minority Business Enterprise (MBE)	24.18%	15.00%
Women Business Enterprise (WBE)	12.47%	5.00%
Subtotal Women, Minority Business Enterprise (WMBE)	36.65%	20.00%
Service Disabled Veteran Business Enterprise (DVBE)	2.18%	1.50%
<b>Total DBE</b>	<b>38.83%</b>	<b>21.50%</b>

Totals may not add due to rounding.

PG&E spent 38.8% with DBEs. This amount represents \$2.1 billion spent with DBEs, which is approximately \$441 million greater than the amount spent with DBEs in 2011.

## Sec. 9.1.5 Summary of Utilization of DBE Subcontractors

	Minority Men	Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women, Minority Business Enterprise (WMBE)	Service Disabled Veterans Business Enterprise (DVBE)	TOTAL DBE
<b>Direct \$</b>	637,444,977	294,032,121	931,477,097	450,550,047	1,382,027,144	59,128,344	1,441,155,488
<b>Subcontracting \$</b>	242,768,622	103,624,668	346,393,290	208,344,799	554,738,089	55,925,223	610,663,312
<b>Total \$</b>	880,213,599	397,656,788	1,277,870,387	658,894,846	1,936,765,233	115,053,568	2,051,818,801
<b>Direct %</b>	12.06%	5.56%	17.63%	8.53%	26.15%	1.12%	27.27%
<b>Subcontracting %</b>	4.59%	1.96%	6.55%	3.94%	10.50%	1.06%	11.56%
<b>Total %</b>	16.66%	7.53%	24.18%	12.47%	36.65%	2.18%	38.83%

<b>Gross Procurement</b>	5,284,463,460
<b>Exclusion</b>	-
<b>Net Procurement</b>	5,284,463,460

Totals may not add due to rounding.

As previously reported in 2012, substantial required investments in infrastructure projects have posed a major challenge to PG&E's supplier diversity efforts. For example, few DBEs are large enough to independently handle major projects in energy generation. The Supplier Diversity team has addressed that challenge in a number of ways. The team continued to follow up with the largest prime suppliers concerning their DBE subcontracting plans, as well as communicating the results of these conversations to project managers and responsible officers. By continuing to monitor prime supplier diversity performance and provide prime suppliers with supplier diversity education and coaching, PG&E achieved over \$611 million subcontracting spend in 2012.

Working with prime suppliers to improve supplier diversity subcontracting results was an ongoing effort at PG&E in 2012. The Supplier Diversity team has increased awareness of DBE subcontracting needs in the bid process both internally and externally. Diversity expectations were communicated to suppliers frequently, including at bid meetings, performance reviews, and at PG&E's Annual Supplier Conference. Sourcing professionals, LOB representatives, and Supplier Diversity team members will continue to emphasize DBE subcontracting as beneficial to community economic development and critical to helping the company meet its goals.

## Sec. 9.1.6 Supplier Complaints

A list of DBE complaints received during the past year accompanied by a brief description of the nature of each complaint and its resolution or current status.

G.O. 156 Ruling on August 24, 2006 ended the requirement to summarize complaints.

### **Sec. 9.1.7 Exclusions**

Summary of Purchases and/or contracts in excluded categories.

G.O. 156 Ruling on November 14, 2003 ended the excluded category.

### **Sec. 9.1.8 Supplier Recruitment in Low Utilization Areas**

A description of any efforts made to recruit DBEs of products or services in procurement categories where DBE utilization has been low, such as legal and financial services, fuel procurement, and areas that are considered highly technical in nature.

## **1. FINANCE**

PG&E's Finance organization was steadfast in finding channels to expand the DBE base and increase spend with DBE finance professionals. By making supplier diversity a core value and encouraging creative thinking, PG&E was able to identify groundbreaking and innovative opportunities in financial services.

### **A. Banking**

- As the first California utility to use minority-owned investment banks as joint bookrunners for a taxable bond offering in 2010, PG&E continued to work directly with DBE banks in 2012.
- PG&E selected an African American-owned investment bank to be one of three joint lead managers for a \$400 million offering of 30-year senior notes in April 2012. This represented the third bond transaction that PG&E has completed with a minority-owned investment bank as a lead manager.
  - DBE banks, including African American, Hispanic, and women-owned firms, served as co-managers on debt offerings totaling \$1.15 billion for all of 2012.
  - Fees paid to DBE underwriters totaled \$1.4 million in 2012.
- PG&E placed \$3.6 billion of commercial paper, representing 21% of the program, through a minority-owned investment bank in 2012.
- PG&E worked closely with the CPUC and other California utilities to develop a New Financing Rule (Decision 12.07-003) that encourages the use of DBEs as lead underwriters and co-managers for the long term.

### **B. Pension Management**

- At the end of 2012, nearly \$900 million of PG&E's Employee Benefit and Nuclear Decommissioning Trust assets was invested with diverse or emerging managers. Fees on these assignments were approximately \$2.0 million in 2012.
- In 2012, PG&E funded new bond accounts with two DBE firms, one an African American woman-owned fixed income manager and the other Hispanic-owned.
  - These managers were selected through a Request for Proposal process, which included 14 other DBEs.
  - PG&E's funding was one firm's first portfolio dedicated to long duration corporate bonds. This contract is expected to significantly increase the firm's credibility in competing for other business in this growing market segment.
- PG&E continued to partner with five other DBEs who managed seven equity, fixed income, and real estate securities accounts with PG&E's Employee Benefit and Nuclear Decommissioning Trusts.
- Finally, PG&E has a long history of supporting DBE investment managers and encouraging all managers to utilize DBE brokers.

## **C. Tax, Accounting and Reporting**

- To optimize supplier diversity participation in a competitive bid for a significant tax project, PG&E sought and selected a non-diverse firm that included participation of an affiliated African American-owned company. The contract executed with these firms included language outlining the amount and extent of work performed by this MBE. In addition to development of a new MBE opportunity, this contract resulted in significant tax savings that will benefit PG&E and ratepayers in years to come.
- PG&E successfully partnered with other internal departments to expand the scope of work performed by a small local Asian American-owned company. The work with this MBE will help PG&E garner millions of dollars in state tax credits and reduce state income tax liability for years to come. In addition to the value to PG&E, the expansion of this company's work at PG&E will help the diverse small business continue its success.
- On a recent Request for Proposal for another significant tax project, PG&E communicated that creative integration of DBEs in submitted proposals would be a key consideration in the selection process.
- PG&E engaged a DBE for the audit of the PG&E Foundation.
- PG&E engaged a DBE for the audit of the ClimateSmart Charity.
- PG&E engaged a DBE for the audit of certain benefit plans.
- PG&E worked with its independent auditor to research the feasibility of partnering with a DBE to complete its financial statements.

## **D. Risk and Audit**

- The Compliance and Ethics group hired a woman-owned firm to produce PG&E's annual compliance and ethics training video for 2013, and a DBE consultant to help develop a company-wide compliance standard.
- PG&E hired a minority-owned firm in its Enterprise Risk Management & Insurance area to provide collection and compliance review of certificates of insurance from PG&E's outside suppliers.
- PG&E required its insurance brokers to subcontract to DBEs to support PG&E's insurance department in marketing its insurance renewals or administrative insurance work.
- In 2012, the Internal Audit and Sarbanes Oxley (SOX) team began exploring the feasibility of using the services of two DBEs for SOX and internal auditing work.
- The Market and Credit Risk team referred a new supplier to obtain CPUC certification. This DBE is expected to start working with PG&E in 2013.
- PG&E encouraged the corporate building security supplier to subcontract with DBEs. In 2012, three of the five security subcontractors were MBEs.

## **E. Outreach and Recognition**

The following were notable outreach events and recognition in 2012:

- At the Northern California Minority Supplier Development Council's (NCMSDC) 2012 Annual Awards Gala, PG&E's Chief Financial Officer received the NCMSDC Executive of the Year award for his leadership in supporting MBEs within the finance industry.
- The Finance and Risk organization attended a hearing sponsored by State Senator Curren Price and Commissioner Timothy Simon on "Diversity in California Utility and State Pension Fund Investment Programs."
- A member of the Finance team attended a sponsored NCMSDC MBE Workshop on doing business with PG&E and participated in networking and business matchmaking.



## **2. BRAND ADVERTISING**

PG&E's Brand Advertising department is charged with communicating company innovation and energy conservation programs to all customers. For more than a decade, PG&E has placed a strong emphasis on dedicating funds to ensure that PG&E's communications reach California's multicultural residents.

### **A. Results Summary and Highlights:**

The Brand and Advertising department developed and executed enterprise-level advertising communications focused on educating customers and creating general awareness around gas and electric safety in 2012. A range of DBE-certified agencies helped to effectively and efficiently reach PG&E's diverse audience, using a variety of approaches including television, radio, billboards, print, door hangers and local office signage to deliver the messages.

### **B. Solutions Marketing**

Solutions Marketing continued to work with a range of DBE-certified agencies and companies to strategically and creatively execute effective multicultural marketing efforts on behalf of PG&E. Due to these efforts in 2012, Solutions Marketing achieved 39% spend with DBEs, a 17% increase from 2011.

Success highlights include:

- Identified and worked with an additional non-diverse prime agency to subcontract the media component of PG&E's customer marketing program to an MBE, increasing this non-diverse agency's percentage of diversity spend from 0% to 22.5%.
- Worked with another non-diverse prime agency to increase its percentage of diversity spend by 70%.
- Awarded more marketing efforts to DBE agencies.

## **3. LEGAL**

The Law Department promotes an inclusive and respectful workplace and continues to support diversity in the legal profession. The Department supports and actively participates in a wide variety of organizations supporting diversity in the legal profession and utilizes diverse attorneys at DBE and non-DBE firms. Finally, the Law Department sponsors a law student pipeline program that offers first year law students that have demonstrated a commitment to diversity the opportunity to gain legal experience in the utility industry and to network with attorneys throughout the United States.

The Law Department's Diversity Committee supports DBE-focused organizations and looks for opportunities to include diverse organizations in the products and services utilized by the Law Department and outside law firms. In 2012, several additional DBE firms were provided the opportunity to represent PG&E in significant matters and, through a new tort litigation program, to assist the Department in resolving personal injury/property damage litigation. The Department also consolidated all court reporting services with a DBE vendor. Opportunities for DBE firms and vendors will continue to grow in 2013, with additional opportunities and DBE and non-DBE partnering planned on several matters. The Department also continues to host events to facilitate networking and diversity opportunities, including individual meetings, lunches and receptions, and attorneys regularly attend networking events to provide DBE firms and attorneys with greater access to in-house counsel.

In 2012, the Law Department also continued its support of the Bar Association of San Francisco Foundation Bay Area Minority Law Student Scholarship. The Department funded a scholarship to a student with a significant financial need that was admitted to a top law school in California. The Department also continues to support the efforts of the diverse bar associations that provide scholarships to talented students.

## ***2012 Summary of Affiliations***

Following is a summary of the organizations the Law Department supported through participation at their events and/or funding:

- Asian Law Caucus
- Asian American Bar Association
- California Association of Black Lawyers
- California Minority Counsel Program, whose mission is to promote diversity in the legal profession
- Charles Houston Bar Association
- Corporate Counsel Women of Color
- Filipino Bar Association of Northern California
- Hispanic National Bar Association
- Institute for Inclusion in the Legal Profession
- Korean American Bar Association
- Minority Corporate Counsel Association
- National Asian Pacific American Bar Association
- National Association of Minority and Women Owned Law Firms
- National Association of Women Lawyers
- National Bar Association
- National Native American Bar Association
- South Asian Bar Association of Northern California
- Wiley Manuel Law Foundation

## PG&E's Utilization of DBE Lawyers and Paralegals at Non-DBE Firms

The following table shows the extent to which non-DBE law firms retained by PG&E's Law Department have assigned DBE lawyers and paralegals to work on PG&E engagements. These law firms, which supplied the data on which the table is based, together account for approximately 80 percent of the law department's payments to non-DBE firms in 2012 for lawyer and paralegal services.

### ATTORNEY TIME PAID IN 2012

LINE NO.			TOTAL
1	ALL MEN		<b>\$39,308,983</b>
2	MINORITY MEN	ASIAN PACIFIC M	\$6,043,263
3		BLACK M	\$1,693,110
4		HISPANIC M	\$566,747
5		NATIVE AMERICAN M	\$189,703
6		MULTI-ETHNIC M	\$492,402
7		<b>TOTAL MINORITY MEN</b>	<b>\$8,985,225</b>
8	ALL WOMEN		<b>\$21,774,941</b>
9	MINORITY WOMEN	ASIAN PACIFIC W	\$3,642,385
10		BLACK W	\$1,118,432
11		HISPANIC W	\$794,818
12		NATIVE AMERICAN W	\$0
13		MULTI-ETHNIC W	\$116,639
14		<b>TOTAL MINORITY WOMEN</b>	<b>\$5,672,274</b>
15		<b>TOTAL MINORITY</b>	<b>\$14,657,499</b>
16	NON-MINORITY WOMEN		<b>\$16,102,667</b>
17	SERVICE DISABLED VETERAN		<b>\$0</b>
18	<b>TOTAL MINORITY, NON-MINORITY WOMEN &amp; VETERANS</b>		<b>\$30,760,166</b>

### PARALEGAL TIME PAID IN 2012

LINE NO.			TOTAL
1	ALL MEN		<b>\$1,381,689</b>
2	MINORITY MEN	ASIAN PACIFIC M	\$448,299
3		BLACK M	\$11,856
4		HISPANIC M	\$14,666
5		NATIVE AMERICAN M	\$0
6		MULTI-ETHNIC M	\$7,104
7		<b>TOTAL MINORITY MEN</b>	<b>\$481,925</b>
8	ALL WOMEN		<b>\$1,814,541</b>
9	MINORITY WOMEN	ASIAN PACIFIC W	\$288,019
10		BLACK W	\$125,807
11		HISPANIC W	\$196,353
12		NATIVE AMERICAN W	\$0
13		MULTI-ETHNIC W	\$261
14		<b>TOTAL MINORITY WOMEN</b>	<b>\$610,440</b>
15		<b>TOTAL MINORITY</b>	<b>\$1,092,365</b>
16	NON-MINORITY WOMEN		<b>\$1,204,102</b>
17	SERVICE DISABLED VETERAN		<b>\$0</b>
18	<b>TOTAL MINORITY, NON-MINORITY WOMEN &amp; VETERANS</b>		<b>\$2,296,467</b>
<b>TOTAL FIRM MINORITY, NON-MINORITY WOMEN &amp; VETERANS</b>			<b>\$33,056,633</b>
<b>TOTAL FEES - VENDORS</b>			<b>\$64,280,154</b>

Note: The data set forth herein is accurate within approximately +/- 5%. This is due to, among other things, variances between data submitted by law firms used to compile the table and PG&E's records of actual spending.

### **Sec. 9.1.9 Justification of Excluded Areas**

A justification for the continued existence of any “excluded category” of products or services which has been removed from the procurement dollar base used to set goals because of established unavailability of DBEs. Such justification must include description of any efforts made to find any/or recruit DBEs of products or services in the excluded category.

G.O. 156 Ruling on November 14, 2003 ended the excluded category.

## 2013 ANNUAL PLAN

### Sec. 10.1.1 DBE Annual Short-, Mid- and Long-Term Goals By Products and Services Category

Extensive efforts were made during the most recent goal-setting cycle to build alignment across the business, gain greater understanding of spend and ensure ownership and accountability for supplier diversity that extends beyond the Supply Chain organization. This process is designed to establish and maintain industry-leading supplier diversity initiatives and results through a careful multi-layered approach to DBE inclusion and development.

Prior to establishing goals, representatives from Supply Chain and the LOBs worked diligently to establish a spend forecast, project plan and specific strategic opportunities to help meet the goals. Reasonable, yet challenging supplier diversity goals that contribute to PG&E's overall target were set as a result.

On an annual basis, PG&E uses historical information, as well as input from the LOBs regarding projected spend to reassess company goals. Every effort is made to continue to grow spend with DBEs. PG&E does not set specific goals by product and services categories. However, as a long-term strategy, PG&E is focused on technical assistance and capacity building strategies to develop suppliers in the following areas:

- Energy Procurement
- Energy Products and Services
- Gas Operations and Pipeline Safety Enhancement
- Hydro and Power Plants
- Nuclear Engineering
- Professional Services (Accounting, Legal Firms, Management Consulting Firms)
- Smart Grid
- Substation Work, Engineering
- Transmission and Distribution (construction)
- Trenching and Paving

#### DBE Annual Short, Mid, and Long-Term Goals

Short-Term 2013					Mid-Term 2015					Long-Term 2017				
Minority		Total Minority Business Enterprise	Women Business Enterprise	Disabled Veteran Business Enterprise	Minority		Total Minority Business Enterprise	Women Business Enterprise	Disabled Veteran Business Enterprise	Minority		Total Minority Business Enterprise	Women Business Enterprise	Disabled Veteran Business Enterprise
Men	Women	MBE	WBE	DVBE	Men	Women	MBE	WBE	DVBE	Men	Women	MBE	WBE	DVBE
12.0%	3.0%	15.0%	5.0%	1.5%	12.0%	3.0%	15.0%	5.0%	1.5%	12.0%	3.0%	15.0%	5.0%	1.5%

### Sec. 10.1.2 Program Activities Planned for 2013

A description of Supplier Diversity program activities planned for the next calendar year, which includes internal and external program activities.

PG&E's drive toward supplier diversity excellence begins with enhancing its existing program while incorporating new initiatives that align with PG&E's vision to become the leading utility in the United States. To that end, PG&E will continue to strengthen the role of the Supplier Diversity LOB Champions. PG&E also intends to focus more

on supplier development in areas of company growth such as gas pipeline safety, energy procurement and new technology. PG&E will continue to carefully analyze the value chain of the specific sectors of its business that pose an ongoing challenge for supplier diversity, such as nuclear energy generation, law and advertising. The company will work with its prime suppliers in these sectors to identify opportunities for DBE participation. In addition, PG&E will execute the supplier diversity plans and commitments made through the 2012 strategic sourcing initiatives while setting challenging supplier diversity goals for the next wave of strategic sourcing in 2013.

PG&E also made significant gains towards meeting other objectives outlined in its 2012 Annual Report and will continue these activities in 2013:

- **Goal Development and Alignment:** Employ procedures to ensure that each LOB sets its targets and plans in collaboration with Supplier Diversity Champions to achieve supplier diversity goals. Targets are also driven down to director level.
- **Subcontracting Performance:** Work to ensure that prime suppliers are accurately reporting DBE subcontracting and that PG&E's prime suppliers are held accountable for supporting the company's supplier diversity objectives.
- **Certification Monitoring:** Promote proactive efforts to manage certification of new and existing DBE suppliers.
- **Outreach:** Support activities and organizations that assist PG&E's efforts to reach its 2013 supplier diversity goals.
- **Safety:** Champion effective safety practices and communicate to all suppliers, including DBEs.
- **Green Supply Chain Program:** Include incumbent DBEs in this sustainability performance initiative.
- **Communications and Training:** Continue to incorporate strategies to communicate and educate both internal and external stakeholders about PG&E's Supplier Diversity Program.
- **People Plan:** Build and enhance talent within PG&E's Supplier Diversity organization.
- **Supplier Recognition:** Recognize the excellent performance of DBEs during PG&E's Supplier Conference.
- **Employee Recognition:** Recognize excellent performance of Sourcing and LOB Champions that drive high levels of supplier diversity results and support supplier diversity initiatives.
- **Contract Compliance:** Drive increased prime supplier compliance with PG&E's supplier diversity policies and procedures.
- **Reporting:** Enhance reporting capabilities that help PG&E measure performance against goals.

PG&E will also work collaboratively with the CPUC, California Joint Utilities, and the Community-Based Organizations to focus on several strategic initiatives to remain focused on the implementation of its Multi-Tiered Technical Assistance and Capacity Building Program:

- **Access to Capital:** Deliver workshops on growth strategy, business performance and financial management to qualify for debt financing and forums/conference on the equity acquisition process to overcome barriers.
- **Capacity Building:** Help DBEs expand its product/service offering to other LOBs within PG&E and/or to other potential customers.
- **Diverse Business Workshops:** Partner with expert organizations to develop technical assistance and capacity building workshops to support business growth and development.
- **Diverse Suppliers Are Safe:** Continue signature training initiative on the competitive business advantages of addressing the multiple facets of safety within the work environment.
- **Diverse Suppliers Go Global:** Continue signature training initiative on how global markets and supply chains can be leveraged to strengthen its businesses.
- **Diverse Suppliers Go Green:** Continue signature training initiative to arm suppliers with the resources and tools to gain a competitive green advantage.
- **Emerging Technology:** Expand executive training initiative that supports mature DBEs to position its businesses and compete for opportunities in emerging technology.
- **Supplier Development Program:** Identify opportunities for and support the development of DBEs to be

successful and competitive in an ever-changing supply chain.

- **ISO 9001 and ISO 14001 Certification Training:** Provide scholarships to educate DBEs on the value of quality and environmental systems certification and helps them to build the necessary business practices for successful scalable growth.
- **Prime Supplier Program:** Work to ensure that prime suppliers are developing robust supplier diversity plans and are accurately reporting DBE subcontracting, and hold prime suppliers accountable for supporting PG&E's supplier diversity objectives.
- **Small Business Administration Partnership Training:** Partner with SBA, SCORE and SBDCs across California to provide business management workshop trainings.
- **Trade Missions to Industry Trade Shows:** Provide scholarships for DBEs to attend industry trade shows to gain exposure to new trends and technology.
- **UCLA Management Development for Entrepreneurs:** Provide scholarships to a graduate level management development certificate program that supports supplier development and build capacity.

In addition, PG&E plans to continue its annual Supplier Diversity Achievement Awards to recognize the many employees who contribute to the company's supplier diversity goal achievement. This annual event not only recognizes specific employees that have helped to achieve PG&E's supplier diversity goals but also reinforces the key roles all employees play in PG&E's supplier diversity success.

The Supplier Diversity team will continue to strengthen its formal Supplier Development Program designed to integrate DBEs into the value chain of the future. This program has laid the foundation for PG&E's long-term goal achievement.

PG&E also intends to enhance its communication efforts in order to give internal and external audiences a timely and clear view of what PG&E is doing to increase business with DBEs.

### ***Smart Grid Deployment Plan Roadmap***

On June 30, 2011, PG&E filed its Smart Grid Deployment Plan with the CPUC (A. 11-06-006), presenting its 10-year vision for Smart Grid investments. The Deployment Plan presents PG&E's high-level plan for evaluating, demonstrating, piloting, scaling up and ultimately deploying new technologies to improve electricity facilities and services in order to meet the needs of PG&E's customers and achieve California's energy policy objectives. The Deployment Plan is pending before the CPUC.

PG&E recognizes the value in early communication and education regarding supplier diversity in PG&E's implementation of Smart Grid technology. Through the PG&E Pacific Energy Center (PEC) in San Francisco, PG&E has begun providing free educational programs on Smart Grid technologies, process and markets. Additionally, by launching the Advanced Technology Management Institute (ATMI), in conjunction with the UCLA Anderson School of Management and others, PG&E has begun providing DBEs with detailed coursework and access to industry experts and innovators, along with PG&E technologists on Smart Grid technology and implementation guidelines. In 2013, there will be a focus on engaging prime suppliers in ATMI to collaborate in mentoring DBEs for emerging technology opportunities.

PG&E will continue to engage both diverse and non-diverse suppliers in Smart Grid and deliver its supplier diversity expectations as the CPUC funding becomes available, and initial product discovery and testing begins in 2013 and 2014.

PG&E Smart Grid, Sourcing and Supplier Diversity teams will work collaboratively to identify suppliers of current and emerging Smart Grid-related technologies, and in conjunction with the PEC, host a series of engagement and educational meetings following approval of the Deployment Plan. In addition to the PEC Smart Grid educational materials, these meetings will communicate PG&E's supplier diversity requirements and explain the competitive advantage of strong participation in the program.



To date, PG&E has identified 21 projects and initiatives that will enable PG&E to advance the strategic objectives and vision of the Smart Grid into the power grid. The Deployment Plan lays out PG&E's roadmap but does not include applications for specific projects.

In November 2011, PG&E submitted the Smart Grid Deployment Pilot application (A. 11-11-017) requesting \$109 million from 2013 through 2016 for six pilot projects (marked below) out of the 21 currently-identified Smart Grid projects. While the work is not expected to commence until late 2013, PG&E will continue to be proactive about communicating these pilot projects in its 2013 supplier diversity outreach events.

### ***PG&E Smart Grid Projects List***

<b>Roadmap Initiatives</b>	
<b>Engaged Consumers</b>	<ul style="list-style-type: none"> <li>• Integration of Enhanced Demand Response Forecasting</li> <li>• Demand Response Optimization Engine</li> <li>• Home Area Network Pricing and Load Control Signals</li> <li>• Enable Access to SmartMeter Data via Open Automated Data Exchange (OpenADE)</li> </ul>
<b>Smart Energy Markets</b>	<ul style="list-style-type: none"> <li>* Improve Short-Term Demand Forecasting Using SmartMeter Data</li> <li>• Integrating Demand Response into Energy Procurement Operations</li> </ul>
<b>Smart Utility</b>	<ul style="list-style-type: none"> <li>• Integration of Demand Response with Transmission &amp; Distribution Operations and Planning</li> <li>• Substation Automation Interoperability Upgrade</li> <li>• Fault Location, Isolation and Service Restoration (FLISR)</li> <li>* Install Smart Grid Line Sensor Technology</li> <li>* Install Voltage and Reactive Power (Volt/VAR) Optimization System</li> <li>* Detect/Locate Distribution Line Outages &amp; Faulted Circuit Conditions</li> <li>• Manage Transmission Substation Transformer Asset Condition</li> <li>• Manage Distribution Substation Transformer Asset Condition</li> </ul>
<b>Foundational &amp; Cross-Cutting Infrastructure</b>	<ul style="list-style-type: none"> <li>• Cyber Security Architecture</li> <li>• Telecommunications Architecture</li> <li>• Information Management Architecture</li> <li>* Technology Evaluation, Standards Development and Testing</li> <li>* Smart Grid Customer Outreach</li> <li>• Workforce Development</li> <li>• Supplier Diversity</li> </ul>

\* = one of six initial Smart Grid pilot projects

On November 1, 2012, PG&E filed its 2012–2014 triennial Electric Program Investment Charge (EPIC) Investment Plan with the CPUC, which detailed PG&E's participation in research and development initiatives across 26 projects, in three investment areas: (1) Renewable Distributed Energy Resources Integration, (2) Grid Modernization and Optimization, and (3) Customer Service and Enablement.

The EPIC program provides vital investments in new and emerging technologies that will increase public and employee safety, enhance the reliability of PG&E's electricity delivery system, and lower costs for customers. The EPIC program will address key gaps by providing a pathway for pre-commercial technologies to commercialization by providing the utility scale demonstration required to vet and test the technologies necessary for full scale deployment.

Final selection of EPIC projects will occur from the list of candidate projects once the EPIC program is approved in May 2013. The actual scope, timeline and budgets for each project will then be finalized based on information obtained through competitive solicitation processes as appropriate. Projects will be structured to follow a consistent pilot lifecycle process—including plan, design, analyze, deploy and evaluate phases for each approved project. Metrics will be developed, reported and shared widely for each project once completed.

In the meantime, PG&E actively engaged DBEs in the growing emerging technology dialogue, inviting DBEs to attend educational events. For example, on September 25th, PG&E hosted the Emerging Technology Coordinating Council's Technology Research Incubation Outreach (TRIO) Conference to provide educational and networking opportunities for entrepreneurs in energy efficiency and demand response. PG&E invited its DBEs to attend and learn about recently enacted state programs and technologies, as well as to meet with representatives from the major California gas and electric utilities, the CPUC, and the California Energy Commission. In addition to speaker topics on the regulatory environment and the state's incentive and third-party programs, PG&E's Director of Supplier Diversity and Sustainability presented on the value of supplier diversity and California utility expectations for robust DBE solutions in the Smart Grid of the future.

PG&E's investment plan builds on PG&E's existing and planned research development and deployment (RD&D) programs consistent with the goals for utility-funded RD&D and pilot projects in Public Utility Code Sections 740.1 (utility RD&D) and 8360 (Smart Grid). In particular, as part of its EPIC investment plan, PG&E has reflected the goals and strategy of its Smart Grid Deployment Plan, filed with the Commission in June 2011, as well as the Smart Grid metrics adopted by the Commission in April 2012. The vision and strategy of PG&E's EPIC investment plan and Smart Grid Deployment Plan are aligned and consistent.

### **Sec. 10.1.3 Supplier Recruitment in Low Utilization Areas**

Plans for recruiting DBEs of products or services where DBE utilization has been low, such as legal and financial services, fuel procurement, and areas that are considered highly technical in nature.

#### **1. LEGAL**

The Law Department's 2013 plan includes:

- Continued participation and engagement with a variety of legal associations promoting diversity and equal access to the law and legal profession.
- Paid summer positions for four first year law students.
- Continued identification of DBE firms for potential retention as well as partnering with non-diverse firms.
- Continued promotion of utilization of diverse professionals at majority owned firms.
- Continued participation in networking and CPUC events with other investor-owned utilities.
- Continued partnership with PG&E's Supplier Diversity and Sourcing Department to identify additional opportunities for DBE law firms and other suppliers.
- Continued discussions with major law firms about subcontracting and partnering opportunities with DBEs.

#### **2. FINANCE**

DBE Finance plans for 2013 include the following activities:

- Continue to execute multi-year strategy to increase DBE spend.
- Provide opportunities for DBE investment banks to participate meaningfully in financings.
- Continue looking for other opportunities to do business with DBE investment banks, such as money market

investments or as commercial paper dealers and pension managers.

- Mentor and conduct marketing activities with DBE investment banks.
- Continue best practices on use of DBEs in pension management.
- Continue to identify opportunities to expand use of DBEs in audit and tax work.
- Continue to reach out to prime suppliers to find subcontracting opportunities.
- Sponsor and actively participate in organizations that support DBEs and diverse finance students.
- Continue current successful service agreement with Corporate Tax Incentive and examine if additional work makes business sense.
- Continue evaluating projects for opportunities to employ DBEs and encourage other suppliers to employ DBE subcontractors.
- Continue efforts to build DBE candidate pool

### **3. ADVERTISING and MINORITY MEDIA**

PG&E will continue to focus on including DBEs in minority media opportunities. The team will monitor subcontracting progress on a monthly basis.

PG&E will continue to work closely with its prime suppliers in charge of its customer marketing program and the suppliers' MBE media subcontractors to ensure continued success in 2013.

### **4. GENERATION**

PG&E continued to lead in its nuclear operations in 2012, spending over 24% with DBEs. Diablo Canyon Power Plant (DCPP) increased DBE spending by \$3 million from 2011 to 2012. The team's success is a result of leaving no stone unturned to not only locate DBEs, but to coach existing DBEs to perform well under strict standards and critical deadlines. The team was also steadfast in coaching prime suppliers to improved performance — nuclear subcontracting increased 29% from 2011.

In 2012, several DCPD Sourcing team members participated in a GE symposium to facilitate more DBE subcontracting. The team was generous in sharing its successes as well. The Director of Generation Supply Chain shared his insight about achieving supplier diversity results in nuclear at the 29th Annual Edison Electric Institute Supplier Diversity Conference and several members of DCPD also benchmarked with Southern California Edison's San Onofre Nuclear Generation Station on supplier diversity during the third quarter of 2012. PG&E's nuclear generation program continues to pursue excellence in all facets of its operations including supplier diversity.

In 2013, PG&E will continue to ensure DBEs are aware of the vast opportunities available in fossil fuel, hydroelectric and nuclear. Education is central to ensuring success in this important area of PG&E's business. PG&E will continue to hold workshops, webinars and matchmaking events to not only educate its DBEs but to educate prime suppliers about PG&E's expectations. That means that PG&E will continue to set aggressive targets and provide the tools necessary to achieve supplier diversity results.

### **Sec. 10.1.4 Plans for recruiting DBEs in excluded categories.**

G.O. 156 Ruling on November 14, 2003 ended the excluded category.

### **Sec. 10.1.5 Plans for Subcontracting**

Encouraging prime suppliers to engage DBEs in subcontracts in all categories which provide subcontracting opportunities.

PG&E plans to continue to work with prime suppliers to extend subcontracting opportunities to DBEs. The company's plan is to follow up with prime suppliers who report low spend with DBEs, or who have not responded to requests for a subcontracting plan. PG&E's leadership is committed to supporting the Supplier Diversity and Sourcing teams in this endeavor. In 2012, PG&E senior leadership communicated to prime suppliers the seriousness of PG&E's commitment to supplier diversity. The company continues to audit subcontracting spend with top prime suppliers to promote compliance. The team plans to continue to follow up with prime suppliers and monitor performance through a performance scorecard process.

In addition, PG&E understands the need to assist its prime suppliers in learning how to identify and develop qualified DBE subcontractors. The company will continue to ask prime suppliers to support outreach activities, support local educational programs such as the UCLA MDE Program and the University of California ATMI, participate in external and internal matchmaking activities, and to mentor DBEs. There are multiple ways that prime suppliers can support supplier diversity even when there is little immediate opportunity to subcontract. These include starting a supplier diversity initiative if they do not currently have one and creating developmental opportunities for DBEs within the core of their business.

Most importantly, PG&E will advance its efforts to make supplier diversity a key consideration in strategic sourcing Request for Proposals that will continue into 2013 and beyond. Every strategic sourcing initiative will include an associated supplier diversity goal. The most encouraging component of this effort is that the Sourcing team is doing an outstanding job of challenging prime suppliers to address supplier diversity in areas where PG&E has struggled to gain supplier diversity in the past. With continued focus, PG&E is confident in its ability to balance business priorities while advancing supplier diversity. The company's success requires that prime suppliers meet their supplier diversity goals and strive to meet the stretch goals they set.

### **Sec. 10.1.6 Plans for Complying with DBE Program Guidelines**

Plans for complying with the Supplier Diversity program guidelines established by the CPUC as required by Public Utilities Section 8283 (C). The Executive Director's Office will be responsible for developing, periodically refining, and recommending such guidelines for the CPUC's adoption.

PG&E will continue to comply with General Order (G.O.) 156 program guidelines. In 2013, PG&E will participate in the CPUC's Supplier Diversity Forums, and work in partnership with the Joint Utilities to address challenges to the full participation of eligible DBEs in the program.

# Power Procurement Report

## 2012 Annual Report

### Sec. 9.1.1 Internal/External Activities

PG&E advanced its efforts to develop guidelines and provide opportunities for Diverse Business Enterprises (DBEs) in power procurement. The company spent 63% more with DBEs in Power Procurement in 2012 when compared to 2011. While there is more work that can be done, PG&E is building the foundation for continuous improvement with the goal of program sustainability.

#### ***Communication and Outreach***

PG&E continued its outreach efforts in 2012. PG&E's Wholesale Electric Procurement website provides DBEs with information about upcoming Request for Offers (RFOs) and descriptions of various programs. PG&E's Supplier Diversity page also includes a direct link to the Wholesale Electric Procurement page for those suppliers interested in this area of PG&E's business. DBEs can also click a link on the site to receive RFO email notifications directly.

In 2012, PG&E's Energy Procurement team made a concerted effort to reach out to specific suppliers that expressed an interest in providing electric procurement to PG&E. The selected suppliers received one-on-one meetings with PG&E to discuss their capabilities, opportunities, and recommended next steps. PG&E held 10 meetings with DBEs in 2012, in addition to fielding numerous calls and emails from suppliers interested in becoming a PG&E supplier of electricity.

On August 2, 2012, PG&E's Energy Procurement team hosted a workshop to educate DBEs about renewable and non-renewable resources, electric procurement and natural gas procurement. Two officers from Energy Procurement served as presenters to an audience of approximately 30 DBEs. Representatives from Southern California Edison (SCE), San Diego Gas and Electric (SDG&E) and the CPUC also participated.

On November 13, 2012, PG&E hosted an Electric Procurement Supplier Diversity Roundtable. The purpose of the Supplier Diversity Roundtable is to create a foundation to promote and accelerate the entry of eligible DBEs into the electric procurement market in an open and transparent forum. The goal of the Supplier Diversity Roundtable is to produce a report that articulates a framework to enable and encourage DBE spend within wholesale power, Resource Adequacy, subcontracting, small and large scale renewables and Combined Heat and Power (CHP).

One of the most noteworthy successes of the Supplier Diversity Roundtable was achieving one of PG&E's electric procurement goals to work more collaboratively with the other gas and electric utilities. The Supplier Diversity Roundtable built on best practices and lessons learned from the SDG&E Power Supply Advisory Panel (PSAP) and DBE outreach events conducted by PG&E, SCE and SDG&E.

A Supplier Diversity representative attended SCE's Renewable Power Procurement Opportunities Workshop for DBEs on May 11, 2012 to meet potential DBEs. SCE and PG&E also collaborated at the Edison Electric Institute (EEI) Conference on May 22-25, 2012 in Palm Desert. Leaders from both utilities participated on an EEI panel titled "Electric Procurement Requirements, Challenges/Opportunities for DBEs" where they discussed opportunities in conventional and renewable power procurement and how California's regulatory changes will impact DBEs that provide power generation services. PG&E was also a co-recipient of the Innovation Award at the conference for its work with DBEs in renewables and for innovative technical assistance initiatives.

Lastly, all three utilities contributed to a document created to better define the power procurement categories and refine power procurement reporting tables for consistent reporting.

## Sec. 9.1.2 Summary of Purchases and/or Contracts

PG&E spends over \$3 billion a year on electricity commodity and related services. This spending is for energy and capacity from Qualified Facilities (QF), Renewables Portfolio Standard (RPS) facilities, tolling and Resource Adequacy (RA) contracts, and ancillary services payments.

The company has over 3,000 MW of renewable projects under power purchase agreements that are expected to develop over the next three years, representing about \$10 billion in new investment.

PG&E's Energy Procurement team worked diligently to educate DBEs about direct and subcontracting opportunities to support business needs in these areas. The team especially focused on renewable projects with the best opportunities for DBEs in site preparation, permitting, environmental studies, engineering, construction, operations and maintenance services, etc.

PG&E issued the following Requests for Offers (RFOs) in 2012:

- 02-01-12 Greenhouse Gas (GHG) Allowances and Offset Credits
- 04-03-12 Photovoltaic Power Purchase Agreement (PPA)
- 05-01-12 Second Renewable Auction Mechanism (RAM)
- 11-16-12 Third RAM
- 12-10-12 Renewables Portfolio Standard (RPS)

Through the RAM and PG&E's Photovoltaic (PV) solicitation program (the 50 MW per year of PV contracts that is the companion program to the 50 MW per year utility-owned PV program), PG&E executed four separate contracts with one DBE supplier, and 18 other contracts where the developers were willing to commit to a minimum DBE spend level (up to as much as 50%) as a contractual commitment.

The supplier diversity manager responsible for power procurement presented PG&E's supplier diversity goals and objectives at the following Energy Procurement RFO meetings:

- 04-11-12 PV PPA Webinar
- 12-06-12 RAM Webinar
- 12-12-12 RPS Webinar

PG&E's RPS contracts included provisions where the developer specified, as a contract term and condition, the level of DBE spend commitment. In addition, the shortlisting process included supplier diversity as a consideration.

Fuels for Generation Description:

### ***Diesel***

PG&E's Humboldt Bay burns a small amount of diesel for ignition and to refuel plant vehicles, but the engines will run solely on diesel fuel whenever natural gas is unavailable or when required by environmental air emission permit. Colusa and Gateway Generating Stations use diesel only in plant vehicles and equipment. Two firms, one of which is a diverse fuel distributor, are used for this purpose.

### ***Nuclear***

The nuclear fuel cycle is divided into four main procurement activities: uranium procurement, conversion services, enrichment services, and fabrication of the final fuel assemblies.

For uranium procurement, PG&E utilizes several of the primary producers in the world market. These suppliers include Cameco, Uranium One, Areva, and BHP Billiton. These companies are Canadian, Russian, French, and Australian, respectively.

For conversion services, again, primary worldwide producers are contracted. These producers include Cameco, Areva, and ConverDyn. ConverDyn is a U.S.-owned company.

Enrichment services are provided by Areva, Urenco, and USEC, and beginning in 2014, Tenex. Urenco is a British/Dutch/German-owned company, Tenex is a Russian-owned company, and USEC is a U.S.-owned company.

PG&E's fabrication supplier is Westinghouse, a Japanese-owned company. PG&E uses various suppliers to ensure security of supply, due to the uranium mining, conversion and enrichment activities primarily outside the U.S.

#### ***Coal***

PG&E's generation portfolio does not include coal.

#### ***Natural Gas***

PG&E purchases gas supplies from producers and marketers in Canada and the U.S. Southwest on a daily, monthly and longer term basis to serve its company-owned generating facilities and tolling agreements. More information about PG&E's natural gas procurement is available in the Fuels Procurement for Non-Generation section of this report.

### **Sec. 9.1.3 Program Expenses**

Program expenses for electric procurement are included in the overall Supplier Diversity Program Expenses (see section 9.1.3 of the Supplier Diversity 2012 Annual Report and 2013 Annual Plan).

### **Sec. 9.1.4 Goal Progress**

Below is a summary of PG&E's progress towards goals:

1. Educated prime suppliers about PG&E's supplier diversity goals through webinars, pre-bid conferences, workshops and panel discussions.
2. Maintained a list of potential DBEs interested in electric procurement and held one-on-one sessions with several others.
3. Ensured that electric procurement information was easily accessible from PG&E's Supplier Diversity web page and improved the dissemination of information to DBEs.
4. Strengthened energy procurement policies and procedures for RFOs including incorporating supplier diversity reporting requirements into contracts.
5. Worked collaboratively with the other gas and electric utilities to clarify reporting guidelines and partnered on outreach activities.
6. Identified a Supplier Diversity Energy Procurement Champion structure to foster DBE participation in all facets of PG&E's energy procurement activities.

In 2012, Energy Procurement's Supplier Diversity Energy Procurement Champion initiated the development of a white paper. The white paper is the framework for key procedural milestones and best practices to encourage supplier diversity spend in "underutilized areas" of procurement. PG&E will update the document based on key findings from the Supplier Diversity Roundtable. The final white paper will serve as the foundation for PG&E's supplier diversity goals in electric procurement for years to come.

### **Sec. 9.1.5 Subcontractors**

PG&E understands that future success in electric procurement will require ongoing education and training of its major suppliers. PG&E will continue to emphasize the importance of supplier diversity through RFOs and workshops, as well as recommend resources that will help with the identification of DBEs.



### **Sec. 9.1.6 Complaints**

PG&E received no complaints in 2012.

### **Sec. 9.1.7 Exclusions**

PG&E ceased reporting excluded categories in accordance with the 2003 CPUC ruling.

### **Sec. 9.1.8 Diverse Suppliers in Underutilized Areas**

Similar to other underutilized areas of its business, PG&E will collaborate with the CPUC and the other utilities to address challenges, build strategies and make recommendations to improve the participation of DBEs.

### **Sec. 9.1.9 Retention of All Documents/Data**

PG&E will retain all documents and data used to compile its Supplier Diversity Annual Report and Annual Plan for the longer of either three years or in accordance with internal policies. PG&E will continue to respond to all data requests upon request.

### **Sec. 9.1.10A Participation Results by Fuel Category**

See Annual Power Procurement Report by Ethnicity Table.

### **Sec. 9.1.10B Market Conditions and Outreach**

The characteristics of the electric market are unique relative to the natural gas market. In order to receive capacity payments, generation asset ownership is necessary. These assets, each of which could cost hundreds of millions of dollars, are held by large corporations or financial institutions.

Second, the vast majority of energy payments are through RPS and QF contracts, with a smaller amount clearing through the Independent System Operator market.

For the natural gas commodity, asset ownership is not required, and the vast majority of commodity clears through the market or exchanges, so the opportunities are greater for DBEs than in electricity commodity.

PG&E encourages the participation of DBEs in the highest opportunity area of renewables. However, Energy Procurement is engaged in discussions with a number of DBEs for electric enabling agreements (Edison Electric Institute, Western System Power Pool). PG&E is also coaching several DBEs through the Funds Transfer Agent Agreement process to mitigate credit posting concerns.

PG&E's procurement objectives include assembling a portfolio of reliable and operationally flexible resources, supporting the development of environmentally preferred resources and managing customer costs. PG&E's procurement process involves three phases: planning, competitive procurement, and economic dispatch.

# Annual Energy Product Results By Ethnicity & WMDVBE Certification

(All dollar figures in \$MM)

Product¹		Unit	Results by Ethnicity & Gender																Results by WMDVBE Certification				Sub-contracting		Total WMDVBE Procurement Spend (Direct and Sub)²	Total Procurement Spend																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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Totals may not add due to rounding.

\*\*This report for 2012 is on a cash basis and includes only transactions with payments made to WMDVBEs in 2012.

Notes:

<sup>1</sup> Excludes purchases from the CAISO, other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives

<sup>2</sup> Includes only long term power procurement commitments after June 6, 2011 or as a result of RFOs after June 6, 2011

<sup>3</sup> Includes all power procurement commitments

## **2013 Annual Plan**

### **Sec. 10.1.1 Goals**

PG&E's goal is to continue to foster DBE participation in electric procurement through (1) collaboration and education, (2) communication and outreach, and (3) improved procurement processes and awareness.

### **Sec. 10.1.2 Planned Internal/External Activities**

PG&E has developed a detailed action plan based on foundational implementation, collaboration and education, communication and outreach and procurement processes and awareness. The plan includes Energy Procurement and Supplier Diversity owners, deliverable dates and status which will be tracked monthly.

PG&E's 2013 Supplier Diversity goals for Energy Procurement include:

1. Increase opportunities for DBEs to compete for PG&E's energy procurement commodity business, through both direct and indirect contracting.
2. Increase both the energy procurement commodity contract dollar and percentage spend the company procures from DBEs.
3. Assist DBEs, ethnic chambers, and business trade associations to better understand PG&E's Energy Procurement practices, processes, plans, and goals.
4. Increase awareness and support for achieving PG&E's supplier diversity goals throughout the energy procurement organization.

### **Sec. 10.1.3 Recruitment Plans for Suppliers in Underutilized Areas**

PG&E is committed to working with internal and external stakeholders to make it easier for DBEs to transact power with PG&E. To break down barriers, this support will include identifying practical opportunities, as well as collaborating with other utilities, DBE power providers, and the CPUC.

Another crucial component of PG&E's plan is to continue to educate developers on the value of considering DBEs during all phases of construction. The company will also grow its outreach to DBEs in power procurement.

### **Sec. 10.1.4 Plans for Recruiting DBEs in Excluded Categories**

G.O. 156 Ruling on November 14, 2003 ended the excluded category.

### **Sec. 10.1.5 Planned Subcontracting Activities**

PG&E's planned subcontracting activities include:

1. Hold targeted meetings with developers to advance opportunities for DBEs.
2. Send broadcast communications to electric procurement participants to notify them of PG&E's commitment to supplier diversity.
3. Ensure all RFOs include information and communications about supplier diversity requirements including what cost components are relevant and how spending is verified.

### **Sec. 10.1.6 Program Compliance**

PG&E will comply with all DBE program guidelines.

# Fuel Procurement for Non-Generation

## 2012 Annual Report

### Sec. 9.1.1 Description of 2012 Diverse Supplier Program Activities

#### INTRODUCTION

PG&E purchases natural gas to serve its core (residential and small commercial) bundled gas customers. This section provides PG&E's Annual Utility Supplier Diversity Program Fuels Report for PG&E's core natural gas portfolio for 2012 and the Fuels Plan for 2013 as required by G.O. 156. The Fuels Report documents PG&E's Core Gas Supply DBE natural gas purchases during 2012, and the Fuels Plan submitted with this report reflects PG&E's strategies and objectives for core natural gas purchases from Diverse Business Enterprises (DBEs) in 2013.

#### PG&E'S 2012 DBE NATURAL GAS PURCHASE OVERVIEW

Table I summarizes PG&E Core Gas Supply's gas purchases from DBEs in 2012:

Table I – PG&E Core Gas Supply Natural Gas Purchases from DBEs January 1, 2012 – December 31, 2012			
Gas Supplies	Diverse Supplier Purchase Costs	% of total Supply Costs	% of total Supply Volume
(1) (U.S. and Canadian)	\$131,464,343	16.43%	15.20%
(2) U.S. Purchases Only	\$131,464,343	27.53%	26.71%

- (1) In 2012, PG&E's Core Gas Supply department purchased \$131,464,343 of natural gas supplies from DBEs. This figure represented 16.4% of total natural gas purchases by cost and 15.2% of total purchases by volume.
- (2) Typically, DBEs choose to participate exclusively in U.S. natural gas markets. But, because the majority of PG&E's natural gas supplies are purchased in Canada, opportunities to engage DBEs are limited. Excluding Canadian purchases, however, and comparing DBE transactions to purchases made solely from U.S. markets would raise the 2012 participation rate to 27.5%.

#### DESCRIPTION OF 2012 SUPPLIER DIVERSITY PROGRAM ACTIVITIES

##### *Outreach Activities*

PG&E's Core Gas Supply team allocated resources in 2012 to establish and maintain connections to DBEs. The staff continued to build business relationships through meetings, telephone discussions, and email communications. Core Gas Supply analysts worked directly with DBEs to establish or restore DBE certification, establish credit, and execute contracts. Core Gas Supply offered enhanced banking and payment options, structuring contract payment provisions to fit the individual needs of many DBEs. Core Gas Supply provided explanations of the Funds Transfer Agency agreements, in which a bank serves as a fiduciary intermediary between the source supplier and the DBE. In 2012 Core Gas Supply attended and participated in the Supplier Diversity Roundtable hosted by PG&E in San Francisco.

### ***PG&E's Website***

PG&E maintains supplier diversity information on its external website. This electronic connection provides a description of PG&E's Supplier Diversity Program. The website also provides information on how to become a DBE and a description of resources available to assist such suppliers in selling products and services to PG&E and Core Gas Supply.

### ***Expanded Opportunities***

During 2012, PG&E's Core Gas Supply analysts assisted DBEs with opportunities to provide broker services. Broker services enable DBEs to match major producers and suppliers with Core Gas Supply's gas buyers, thereby expanding opportunities beyond direct sales of gas to PG&E. Through a broker arrangement, DBEs add value by locating a producer or supplier willing and able to meet PG&E's terms. The broker arranges the initial contact, and may facilitate the negotiation and assist with the administration. By acting as a broker, DBEs are able to avoid many credit and operational risks.

### ***Personal Contacts***

Core Gas Supply continuously reaffirms its commitment to G.O. 156 and its support of DBEs by personally encouraging natural gas producers to work with DBEs in marketing gas and services to PG&E, other utilities and end users.

### ***Internal Activities***

Core Gas Supply maintains a Solicitation List of DBEs who expressed an interest in selling gas to PG&E. Core Gas Supply uses this list to track certification status and to help ensure that DBEs are contacted on a regular basis regarding sales opportunities. PG&E's Core Gas Supply DBE Solicitation List increased from 31 firms in 2011 to 34 in 2012. In 2012, Core Gas Supply executed transactions with 11 DBEs.

## **Sec. 9.1.2 Summary of Purchases**

### **PG&E's DBE NATURAL GAS PURCHASES**

PG&E provides opportunities for all suppliers, including DBEs, to compete for its business. In order to meet PG&E's core natural gas demands, Core Gas Supply maintains a portfolio of supplies of different contract lengths and terms from various supply sources. Core Gas Supply traders typically negotiate prices or accept unsolicited proposals for longer term and prompt month base load supplies, and purchase daily spot gas in the "swing" spot gas markets. During 2012, PG&E encouraged DBEs to participate in all market activities. Appendix A provides PG&E's Core Gas Supply Diverse Supplier costs by ethnicity and gender.

## **Sec. 9.1.3 Program Expenses**

There were no specific program expenses allocated to non-generation fuel procurement in 2012. Any associated expenses are included in the overall Supplier Diversity Program Expenses (see section 9.1.3 of the Supplier Diversity 2012 Annual Report / 2013 Annual Plan).

## **Sec. 9.1.4 Goal Progress**

PG&E's long-term fuels procurement goal of 21.5% spend with DBEs is based on the total cost of natural gas purchases in accordance with the long-term objective suggested by the CPUC in Decision 95-12-045.

**Table II — DBE Goals, 2013 and Beyond**

<b>Period</b>	<b>2013</b>	<b>Beyond 2013</b>
Minority	15.0%	15.0%
Non-Minority Women	5.0%	5.0%
Disabled Veteran	1.5%	1.5%
<b>Total</b>	<b>21.5%</b>	<b>21.5%</b>

### **Sec. 9.1.5 Summary of Utilization of DBE Subcontractors**

Natural gas, as a trading commodity, does not lend itself to subcontracting. PG&E's focus is to locate additional DBEs to serve as direct suppliers for its natural gas purchases.

### **Sec. 9.1.6 Supplier Complaints**

There were no complaints in 2012 regarding Core Gas Supply's DBE natural gas purchase activity.

### **Sec. 9.1.7 Exclusions**

Summary of Purchases and/or contracts in excluded categories.

G.O. 156 Ruling on November 14, 2003 ended the excluded category.

### **Sec. 9.1.8 Diverse Suppliers in Underutilized Areas**

Geographical locations of natural gas suppliers and market conditions pose significant constraints on diverse procurement opportunities in this area.

Like other underutilized areas of PG&E's business, the company will work in cooperation with the CPUC and the other utilities to address issues, build strategies and make recommendations for improvement.

### **Sec. 9.1.9 Retention of All Documents/Data**

PG&E will retain all documents and data used to compile its Supplier Diversity Annual Report and Annual Plan for the longer of either three years or in accordance with internal policies. PG&E will continue to respond to all data requests upon request.

### **Sec. 9.1.10A Participation Results by Fuel Category**

See Appendix A, PG&E's Core Gas Supply DBE Costs by Ethnicity and Gender.

## **Sec. 9.1.10B Market Conditions and Outreach**

### **FACTORS LIMITING DBE GROWTH**

#### ***Competitive Challenges***

Natural gas marketers add value by applying their expertise to find buyers and to creatively fulfill end-user needs while fostering a liquid, transparent market. In addition to providing supplies, the role of many successful marketers has evolved and expanded to include intermediate steps in the supply chain, such as arranging pipeline transportation and storage, providing nomination and balancing services, and providing any other services required to facilitate natural gas sales. These complex, commercial arrangements and the myriad of associated services demand that marketers possess critical skills and industry knowledge, commercial connections, and resources and capital in order to be successful. Unfortunately, very few DBEs have the necessary assets and resources to compete effectively in this challenging, fast-paced environment.

#### ***Institutional Barriers***

Even in the current low-price natural gas markets, industry participants face enormous financial and credit risks. Most DBEs are challenged to manage exposure to such risks. Many lack capital to meet collateral requirements and do not hold physical assets such as natural gas storage to help establish credit or limit exposure to performance risks. Another major detriment is that DBEs generally are not able to post sufficient collateral to cover the margin requirements of electronic or online trading platforms, which account for a significant percentage of all transactions in today's fast-moving natural gas markets. As a result, many DBEs find that they are not competitive in the marketplace because of an inability to meet credit and other business requirements.

Although major producers and wholesale suppliers may have their own diversity objectives, they are not guided by G.O. 156, and therefore may not be compelled to participate in California's supplier diversity programs. As a result of these overall issues and challenges, the ability of DBEs to provide valuable services and compete with other more sophisticated marketers has historically been quite limited.

PG&E continues to monitor its portfolio of gas supplies and to work with all suppliers in an effort to balance objectives of providing opportunities for DBEs while maintaining the highest degree of reliability possible and managing costs for its core customers.



## 2013 Annual Plan

### Sec. 10.1.1 Goals

#### Goal: Increase DBE Participation

Despite the factors limiting DBE growth identified in section 9.1.10B, PG&E will affirm a 21.5% participation rate as a long-term objective and will continue in its efforts to reduce the barriers to entry and strive to expand the opportunities in which DBEs can participate during 2013.

### Sec. 10.1.2 Planned Internal/External Activities

#### 2013 DBE Program Objectives

Progress toward meeting the optimistic goals in Table II may only be achieved through sustained efforts by gas purchasing personnel and by the continued growth and development of DBEs. For 2013, PG&E has established the following objectives:

##### ***Objective #1: Maintain Awareness***

Formal and informal supplier diversity training will be conducted as needed to familiarize Core Gas Supply traders and staff with available DBEs and to emphasize PG&E's Supplier Diversity Program goals.

##### ***Objective #2: Maintain Focus***

Throughout the year, Core Gas Supply management will utilize internal communications and discussions to provide focus and instill enthusiasm among all employees for continued progress toward fulfillment of the G.O. 156 objectives.

##### ***Objective #3: Assist Gas DBEs***

Core Gas Supply staff will continue to advise and assist DBEs with certification, credit applications and special payment arrangements in order to help establish firms and to prepare DBEs to conduct business with PG&E.

##### ***Objective #4: Develop New and Enhance Existing Opportunities***

PG&E will encourage DBEs to conduct business with PG&E and to pursue new opportunities by offering creative contractual arrangements such as broker service agreements.

##### ***Objective #5: Measure Performance***

Monthly supplier diversity activity reports will be provided to the Core Gas Supply staff and management. These monthly reports will document progress toward reaching PG&E's natural gas diversity goals, and will serve to stimulate discussions among staff and management to develop innovative solutions addressing issues and challenges, and to create economic opportunities for DBEs.

### Sec. 10.1.3 Recruitment Plans for Suppliers in Underutilized Areas

PG&E will encourage DBEs to pursue new opportunities by offering them creative contractual arrangements such as broker service agreements. PG&E will also assist DBEs by seeking innovative solutions to credit issues, third-party contracts and payment options.

#### **Sec. 10.1.4 Plans for Recruiting DBEs in Excluded Categories**

G.O. 156 Ruling on November 14, 2003 ended the excluded category.

#### **Sec. 10.1.5 Planned Subcontracting Activities**

Subcontracting opportunities for natural gas commodity trading are limited due to the nature of how PG&E procures this commodity. PG&E will continue to focus on locating additional DBEs to serve as direct suppliers for its natural gas purchases.

#### **Sec. 10.1.6 Program Compliance**

PG&E will comply with all DBE program guidelines.

**Appendix A. PG&E's Core Gas Supply**  
**Diverse Supplier Costs by Ethnicity and Gender**  
**Annual Energy Product Results By Ethnicity & WMDVBE Certification**  
*(All dollar figures in \$MM)*

Product¹		Unit	Results by Ethnicity & Gender												Results by WMDVBE Certification				Total WMDVBE Procurement Spend	Total Procurement Spend																	
			Asian-Pacific						African-American						Latino						Native American						Other Minority						Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (DVBE)		
			Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male			Female	Total	Male	Female	Total												
NATURAL GAS			\$	\$-	\$25	\$25	\$5	\$-	\$5	\$3	\$-	\$3	\$3	\$-	\$3	\$3	\$-	\$3	\$6	\$6	\$6	\$11	\$31	\$-	\$-	\$236											
			%	0.0%	3.2%	3.2%	0.6%	0.0%	0.6%	0.4%	0.0%	0.4%	0.3%	0.0%	0.3%	0.0%	0.3%	0.0%	0.3%	0.7%	0.7%	0.7%	1.3%	3.9%	0.0%	0.0%											
			\$	\$-	\$23	\$23	\$26	\$-	\$26	\$11	\$-	\$11	\$17	\$-	\$17	\$17	\$-	\$17	\$13	\$13	\$13	\$54	\$36	\$-	\$-	\$563											
			%	0.0%	2.9%	2.9%	3.2%	0.0%	3.2%	1.4%	0.0%	1.4%	2.1%	0.0%	2.1%	0.0%	2.1%	0.0%	2.1%	1.6%	1.6%	1.6%	6.7%	4.5%	0.0%	0.0%											
Total Natural Gas			\$	\$-	\$48	\$48	\$31	\$-	\$31	\$14	\$-	\$14	\$20	\$-	\$20	\$20	\$-	\$20	\$18	\$18	\$18	\$65	\$67	\$-	\$-	\$800											
			%	0.0%	6.1%	6.1%	3.9%	0.0%	3.9%	1.8%	0.0%	1.8%	2.4%	0.0%	2.4%	0.0%	2.4%	0.0%	2.4%	2.3%	2.3%	2.3%	8.1%	8.4%	0.0%	0.0%											
LPG			\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-											
			%																																		
Total LPG			\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-											
			%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%											
Overall Total \$			\$	\$-	\$48	\$48	\$31	\$-	\$31	\$14	\$-	\$14	\$20	\$-	\$20	\$20	\$-	\$20	\$18	\$18	\$18	\$65	\$67	\$-	\$-	\$800											
Overall Total %				0.0%	6.1%	6.1%	3.9%	0.0%	3.9%	1.8%	0.0%	1.8%	2.4%	0.0%	2.4%	2.4%	0.0%	2.4%	2.3%	2.3%	2.3%	8.1%	8.4%	0.0%	0.0%	Overall WMDVBE%: 16.4%											

Totals may not add due to rounding.

<sup>1</sup>Excludes purchases from the CAISO, other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives

**Note:**

Short Term Gas - The term of the deal is no longer than one calendar month

Long Term Gas - The term of the deal is greater than one calendar month and no longer than one calendar year





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